The NATIONAL UNDERWRITER

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Is Auto Experience Turning?

Time For Agency Insurers To Get In, Or Out--Or Do They Have A Choice?

By HOWARD J. BURRIDGE

After the heavy underwriting losses of the fire and casualty companies for 1957 have been examined in detail, it becomes clear that the big, important, unsolved underwriting problem is with automobile insurance. Automobile premiums constitute from about 35 to 50% of the premiums of fire and casualty companies that write a general, multiple line business. Of course, for so-called specialty companies the figure is much higher. This means that just about every property insurer's total underwriting experience is favorable or unfavorable, depending upon the automobile results. It is not realistic to think of the automobile experience as a separate or special problem within a company. So much of a company's total premium income comes from automobile insurance that this one line alone can and does make the difference between a successful or an unsuccessful year from an underwriting standpoint.

Must Give Attention To Auto

It is appropriate to give some thoughtful and thoroughgoing attention to the whole automobile situation now, if for no other reason than that a growing number of company executives feel that the turn has come in automobile insurance. Rate increases already granted and others to come have made many officials of automobile writing companies not only hopeful, but optimistic. There is the additional fact that automobile commissions have been reduced in certain areas. These two developments could bring the carefully operated, automobile-writing company fairly close to the break even point.

It is particularly important for the regulation stock companies to avoid any policy of "running away" from automobile insurance as they did at the wrong time in connection with workmen's compensation. The scared, panicky attitude that companies in large numbers showed when workmen's compensation losses became alarming, 30 years or so ago, resulted

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Cal. Agents Threaten Treble Damage Suit Over Commissions

Agents' Attorney Says In Letter To Insurers There Was "Concert Of Action"

If the companies that have reduced commissions in California do not restore the scale prevailing before the most recent auto rate changes they will be sued for treble damages for the difference, according to Joseph L. Alioto of San Francisco, the anti-trust attorney engaged by California Assn. of Insurance Agents in an amazing action at a board of directors meeting.

Mr. Alioto has already written the companies which have announced auto commission reductions stating that he has material which "discloses substantial evidence of cooperative activity among the insurance companies which, in my opinion, is outside the range of any immunities provided by the McCarran-Ferguson act." Mr. Alioto goes on to say this "concert of action" in reducing commissions constitutes a violation of the Sherman act, and he calls upon the companies to review the matter with their attorneys stating this will convince them that they should rescind the commission reduction orders. He winds up his alarming communique by telling the companies that if they persist in "maintaining the lowered rate of commission, the members of the association propose to measure the difference resulting from the lowered rate and institute proceedings at the end of the year for three-fold the damages they have suffered."

The directors of California Assn. of Insurance Agents met March 1 at Berkeley "to discuss the significant pattern of recent widespread automobile commission reductions." All the past presidents were invited, and after

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"CONGRATULATIONS, DUDLEY, ON TURNING DOWN MORE AUTOMOBILE BUSINESS THAN ANY OTHER UNDERWRITER LAST YEAR."

Cosgrove Joins N. Y. Editorial Staff Of National Underwriter

John N. Cosgrove has joined the editorial staff of THE NATIONAL UNDERWRITER at the New York office where he will be associated with Kenneth O. Force, executive editor.

Mr. Cosgrove has had a varied experience in the insurance and insurance publication fields. He was in the upstate New York field for Eagle Star. Later he served on the staff of the insurance page of *Journal of Commerce*, and for a time edited *American Agency Bulletin* of National Assn. of Insurance Agents. For several years he was with American of Newark, latterly as assistant vice-president in charge of advertising and sales promotion. For a time he was executive secretary of Standard Accident until illness in his family compelled his return to the east.

Springfield F.&M. And Monarch Life Plan Affiliation

Directors of Springfield F.&M. and Monarch Life, both of Springfield, Mass., have approved a proposal for affiliation of the two companies. Under the proposed plan, Monarch Life will continue as a separate company with its present management and basis of operation.

Stockholders of Monarch would get 1¼ shares of Springfield common for each share of Monarch owned. Capitalization of Springfield would be changed to comprise 70,000 shares of new preferred stock and 2 million shares of $2 par value common. One million of the latter would be exchanged for the 800,000 shares of Monarch stock presently outstanding.

The remaining 1 million shares of Springfield common will consist of the 700,000 shares presently held by

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See N. Y. Compromise A&S Bills Less Harsh, More Likely To Pass

The compromise A&S bills introduced last week in the New York legislature are, in general, less objectionable to the insurance business than the proposals made earlier in the session and are given a better chance of passage.

Sen. George R. Metcalf, Auburn Republican who heads the joint legislative committee on health insurance plans, filed the four new bills through the rules committee due to the lateness of the session. The bills include the essentials of the program announced last November by Walter J. Mahoney, senate majority leader, and Oswald D. Heck, speaker of the assembly, the Republican leaders.

New Bills Less Restrictive

The compromise bills are less restrictive than the revised measures introduced a few weeks ago by the Metcalf committee and the counter-pro-

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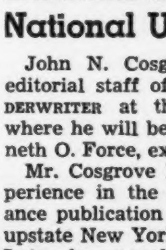
FUAP Elects Bunting, Stress Education Plans

SAN FRANCISCO—John A. Bunting, Rathbone, King & Seeley, San Francisco, is the new president of Fire Underwriters Assn. of the Pacific, elected at the organization's annual session of the final meeting here last week. He succeeds John J. Haster of Swett & Crawford and goes ahead of Phil. F. Kingsley, Fireman's Fund, who has been vice-president for the past year and, by all tradition and practice, would be the president-elect. But Mr. Kingsley was recently elected president of Pacific Fire Rating Bureau and therefore all "routine" advancement had to be detoured for a year. He was, however, reelected vice-president en route back to the main highway. Harold H. Osborn, retired, who has been assistant treasurer, has been named treasurer succeeding the late Paul Normand.



John A. Bunting

Emphasis on broadened and more complete educational programs for agents, office personnel and field men was placed before the FUAP members by Robert Watkins, president of Sacramento Fire Underwriters Assn. and

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Importance Of Judgment And Competition In Rate Making Stressed By Allstate Counsel

Many of the casualty rate filings which pass across the desks of insurance commissioners have already been tempered by competition, "and in this process the public has fully and adequately been protected against excessiveness of rates," George H. Kline, vice-president and general counsel of Allstate, told the recent "Insurance Regulation Institute" sponsored by the Michigan department at East Lansing. Mr. Kline said statistics are important and have a necessary role in casualty rate statutes. "But they should be used by companies and by departments as a supplement to common sense, not as a substitute for it. They are important only as a history of the past and some indication of what may happen in the future."

"Unfortunately," he added, "people driving cars don't read our statistics—nor do juries, or auto manufacturers, or repair shops, or doctors, or hospitals . . . Statistics are one of the useful tools of our industry, but they are not the whole tool chest."

Used To Measure Judgment

He called statistics the standards against which to measure the judgment exercised by the bureau or insurer filing proposed rates. Informed judgment of competent management in rate matters involving basically the funds of a solvent and sound insurer is entitled to great weight when it is reasonably supported by the available information and the basis for such judgment is adequately explained, he declared.

"An insurer or bureau," Mr. Kline contended, "should be permitted to experiment and progress, based upon its sound and properly exercised and supported judgment. Certainly in the case of an individual insurer, if it is solvent and the proposed experiment does not threaten its solvency, there exists no public interest requiring the disapproval of such filing, even though supported entirely by judgment. The company has the ability to remain solvent and pay its claims and after creditable experience becomes available, the filing can be reexamined in the light of such experience. If the filing later proves unsound, no harm has been done to the public."

Used Informed Judgment

He noted that the National Bureau, in establishing its new class plan for automobile liability insurance, could not furnish complete statistics to support such a plan. Instead it properly substituted informed judgment for this lack of experience, and departments throughout the country properly accepted this judgment and approved the filing.

"Rates could not be developed for any new coverage unless judgment were accepted," he remarked, "since no experience or statistics exist for new types of protection." The National Bureau family auto policy could not have been introduced and rates approved if judgment only partially supported by statistics had not been accepted as criterion.

No rate regulatory official needs statistics to tell him that recent years have seen a vicious inflationary spiral compounded of expensive automobiles, high jury verdicts, increased labor costs, skyrocketing medical and hospital costs, Mr. Kline said. Common sense and personal experience tell him this is true.

The future of state regulation may turn upon the results of the impending Senate anti-trust inquiry. As a former rate approver with the New York department, Mr. Kline said he is aware of the pressures exerted for uniformity, not "any external forces—rather I have in mind that most of us like to bring a sense of orderliness and system to what otherwise might appear to be an untidy state of affairs."

Tendency Is For Uniformity

If "X" company solves a certain rating problem in a certain way, when "Y" company appears in the office with a different solution, equally tenable, there is a very natural tendency to suggest to the "Y" that its answer should be the same as the one approved for "X". The bureau might have an entirely different approach. It might suggest that both "X" and "Y" companies should be brought into line with the bureau—or perhaps the bureau with one of the companies.

"The rating laws have this to say for guidance," Kline noted: 'Nothing in this article is intended . . . (2) to prohibit or encourage except to the extent necessary to accomplish the foregoing purpose, uniformity in in-

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Auto Club Insurers Meet In Chicago

The six automobile reciprocals operated in connection with American Automobile Assn. affiliated clubs held a conference on mutual problems in Chicago last week in the Chicago Motor Club building, with N. C. Russell, vice-president and general manager of the Chicago exchange, as general chairman. Practically every aspect of the business was discussed, there being separate sessions for management, underwriting, claims and accounting personnel. This was the first full scale conference of its type and sentiment was unanimous in favor of more such meetings.

Outside speakers included Sydney Stein Jr., Chicago investment counselor, before the management group; Fred Jasper, president Jasper Reports, at the underwriting session; W. P. Henderson, Detroit, president Henderson Tire Co., and E. C. Vale, president Vale Technical Institute, before the claim group. S. A. Bell, manager Midwestern Independent Statistical Service, and J. C. O'Connor, executive editor *Fire, Casualty & Surety Bulletins*, each made two appearances, Mr. Bell before the management and accounting groups and Mr. O'Connor with the management group and at a combined session of the claims and underwriting groups.

In addition to Mr. Russell, the top executives attending were R. L. Inglis, Los Angeles, vice-president Southern California; Alden Macomber, San Francisco, manager California State; H. H. Rhein, St. Louis, executive vice-president Missouri; Robert Jamieson, general manager Detroit, and H. W. Williams, manager Omaha.

Stock Companies File Tax Memoranda

National Board and Assn. of Casualty & Surety Companies filed with the House ways and means committee separate memorandums opposing changes in the basis of federal taxation of fire and casualty companies. The changes were proposed in January by National Committee for Insurance Taxation, organized by Allstate.

The plan includes a 1% sales tax on premiums in excess of $150,000 less dividends to policyholders, and regular corporate rates on net taxable investment income and realized capital gains with exemptions of $5,000 on normal tax income and $25,000 on surtax income.

National Board's memorandum, submitted by J. R. Berry, general counsel, points out that Allstate, principal proponent of the plan, and a few other companies would benefit substantially from a 1% premium tax in profitable underwriting years and that the proposal is, in effect, an effort by these few companies to have the entire fire and casualty insurance business taxed on a basis most favorable to them.

Oppose Special Tax Treatment

"Under the existing law stock insurance companies pay income taxes at regular corporate tax rates on their entire net income in the same manner as do all other corporations and have continuously done so since 1921," Mr. Berry's memorandum states.

"They know of no sound reason why they should be taxed differently than other corporations and have always opposed special tax treatment.

"The federal income tax law is based on the concept of taxing net income. It embraces the philosophy that income taxes should be levied in accordance with one's ability to pay. The present basis for taxing stock insurance companies is completely in accord with the concept and philosophy underlying the federal income tax law.

"We have made a brief analysis of the statement submitted to your committee by the so-called National Committee for Insurance Taxation and

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Calif. Commissioner Issues Ruling To Clarify WC Dividends

Commissioner McConnell of California has issued ruling 98, which he hopes will end years of misunderstanding, uncertainty and "occasional violation" of the rules and regulations, not to mention statutes, of the California workmen's compensation act, regarding dividends to policyholders.

It is expected the ruling will effectively bar advance WC dividends.

Reviews Code Provisions

In his ruling Mr. McConnell reviews the provisions of the insurance code allowing participating compensation policies—the provision which created several new companies and reciprocals since the law became effective years ago. All of these companies have become major factors in this field in California and now write the bulk of compensation premiums.

"An insurer can give consideration to whether or not it will pay or allow dividends to policyholders only after the policy has expired and only after it has made full provision for payment of all claims, expenses, taxes and liabilities and for maintenance of adequate surplus," said the commissioner in prefacing his ruling. "The decision is then made by the board of directors of the insurer and their decision must be in compliance with the statutes."

Confusion Persisted

"The testimony and the exhibits in the present proceeding show that notwithstanding the numerous statutes and notwithstanding the consistent interpretations of them by the insurance commissioners, by the attorney general, by the courts and by California Inspection Rating Bureau throughout the years, a condition of uncertainty, misunderstanding and occasional violation of these statutes has persisted."

The ruling adopts seven new sections to be incorporated in an article in the administrative code. It lists, with a brief statement, the principal

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Frank Ewing, owner of the L. N. Ewing general agency of Tulsa, keeps pace with changing marketing methods and expands his business by using his private plane on agency visits. A former American Airlines captain with 9,000 hours to his credit, Mr. Ewing calls on each of the 200 agencies he serves in Oklahoma and Kansas every three months and is home every night.

His plane has every modern instrument for flight and all-weather take-offs and landings. It has a 260 hp motor, cruises at 160 mph and has retractable gear and two radios. Past experience pays off for Mr. Ewing in doing a job that would be much more expensive and less efficient if field men, using conventional methods of travel, were maintained in the broad territory he covers.

The general agency was founded by his father in 1911 and Frank Ewing joined him in 1946. He took over when his father died in 1951.

Photo by J. W. Sargent, president of Jefferson.

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Ill. Brokers' Assn. Voices Opposition To Commission Cuts

The following letter has been received from C. J. Bassler Jr., president of Insurance Brokers' Assn. of Illinois:

Insurance Brokers' Assn. of Illinois opposes a reduction in commissions. The insurance broker is the medium between the insurance company and the individual, and when the insurance company tries to destroy this medium by taking the livelihood away from the insurance broker, it is destroying a relationship which has existed for many years.

We realize the automobile rates have gone up sizeably and the companies say we are making an additional profit because of these increases. Yet, the insurance companies, which have already reduced the commissions, have failed to see that this gave the insurance broker a chance to be more selective in whom he insures.

Can Be More Selective

The insurance broker can now decline a risk he was accepting before, because of the increased income. He is just as interested in seeing a good loss ratio for his insurance company as the insurance companies themselves. No broker can afford to handle what we call class 2 business at 10% commission, but any risk at 10% commission, no doubt, will go to the assigned risk pool. The companies are then destroying our future insurance buyers by again eliminating the broker and insurance company relationship.

Why should they penalize an insurance broker with a good loss ratio by giving him the same commission as another broker who has a high loss ratio? We feel the insurance broker's business should be written as an individual and certainly should not be penalized for the poorer judgment or bad practices of others.

Not Unalterable Opposed

May we also say that we are not unalterably opposed to the reduction in commissions if this is the only alternative in this rather grim picture which is being presented to us. We, too, wish to be of help in these trying times. However, we would first wish to be assured that the insurance companies have definitely put their house in order and every bit of excess expenditures has been removed from the cost of doing business before they seek to use the reduced commission formula for their problems.

For example, have the insurance companies checked the possibility of continuous policies, or renewal certificates? Have they checked the relationship of the garages to the adjusters, where there have been flagrant violations of garages covering up the deductible on automobile policies? The insurance brokers association is always willing to discuss the reduction of commissions, but, up to the present time, no company has even asked us what we thought of this problem.

When the insurance companies were given the increase in premiums from the Illinois department, there was no discussion whatsoever about acquisition cost and we personally wonder if the department was not surprised when these companies reduced commissions. The insurance companies at the time they got the increase should have discussed the acquisition cost in fairness to the department and not sat back and collected the mere 5%, destroying again the relationship between the broker and the insurance company.

Since the aim of Illinois insurance brokers association is to protect the individuality of the broker 100% and until we can be convinced that it is for the good of the industry to reduce commissions, Insurance Brokers' Assn. of Illinois is definitely opposed to any arbitrary reduction in commissions, and we wish to go on record to that effect.

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Pacific Employers Opens New S. F. Offices

San Francisco's newest office building housing Pacific Employers, Meritplan, California Union and the Victor Montgomery general agency was formally opened with a reception by the companies which was attended by agents, brokers and officials.

Victor Montgomery (left), president and founder of Pacific Employers group, chats with California Commissioner McConnell at the reception marking the formal opening of the companies' branch office in San Francisco.

Located in the heart of the city's insurance district at 244 Pine street, the 5-story structure's exterior features decorative aluminum louvers across the front which deflect and absorb sun rays. The building is air conditioned.

The companies and the Montgomery agency occupy the basement, mezzanine, first and second floors, connected by an automatic elevator to expedite transmission of records from the basement files. The third floor will be occupied by a new agency being organized by Life of North America.

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N. J. Gets Rate and Rule Changes On Elevator, CPL

Rules and rates for comprehensive personal liability, farmer's CPL and elevator liability have been changed in New Jersey, effective March 12, by National Bureau of Casualty Underwriters. The CPL premium goes up $3 and the farmer's CPL $5. Elevator PDL and collision rates are reduced 25%, but elevator BI, due principally to increased inspection costs, increased 33.7%.

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Insurance Women Set Regional

Region V convention of National Assn. of Insurance Women will be held March 21-23 at the Wagon Wheel, Rockton, Ill., with Insurance Women of Freeport (Ill.) as host. In addition to business sessions, Wyatt Jacobs of the Chicago law firm of Jacobs, Miller, Rooney & Lederleiter will be the speaker at the Saturday luncheon, and the banquet speaker that night will be Miss Helen Matheson, assistant managing editor Wisconsin *State Journal*, telling of her trip to Russia.

Chicago Fire Rates To Be Revised

Cook County Inspection Bureau has made extensive revisions in fire rates for a number of classes, and has made a number of rule book changes effective March 17.

Poor experience over the past five years on brick store-dwellings, on apartment buildings, and on brick merchantiles and industrial occupancies has caused increased rates for those classes; but there are rate reductions in a number of cases for frame dwellings, brick dwellings, greenhouses, trailer homes and motels.

The bureau has revised the minimum tariff to incorporate the new term multiple of 2.7 for three years. This had been accomplished earlier by memorandum.

The former grouping of fire protection classes 1-6 has been divided into 1-4 and 5-6. This results in tables that are easier to read, and produces rate reductions for classes 1-4 of 1 cent for brick dwellings and contents, and in class nine the rates are reduced 2 cents for brick and 4 cents for frame dwellings and contents, reflecting effective work of rural fire departments in fire protection districts.

Apartments housing three or more families, however, get rate increases of 2 and 3 cents, varying by class. This line for years has had unfavorable loss experience.

Eliminates Differential

For both dwellings and apartments, the bureau has eliminated the differential in rate for unapproved roofs, and the approved roof rate will be used throughout. There has been a rate differential of from five to eight cents. In addition, exposure charges for frame dwellings (which ran from 3 to 10 cents) and for frame mercantiles (about 12 cents) have been eliminated.

There has been a sizeable reduction in fire rates for trailer homes insured at a specific location, the rate going from $1.25 to 75 cents.

Motels, which have been under the minimum tariff, now will be specifically rated, and this will result in lower rates, generally, for this class.

Another change which will cause lower rates is the elimination of the limit of five automobiles in garages in connection with residential properties. This applies particularly to large apartment buildings, which have upwards of 40 garages, and had to take specific rating on those above five.

The brick store-dwelling class is given a rate increase in excess of 10% for both building and contents. This, like apartments, has had poor experience over a number of years.

Greenhouse Rate Cut

Greenhouses of superior construction, primarily steel, are given a 20% rate reduction for wind and hail.

A higher basis table is to be applied under the analytic system to brick mercantile and industrial buildings, the change being from the 50 to the 55 basis table (a 10% increase), and rates will be increased 10% on risks rated on the lumber yard schedule. Other risks rated by the analytic system, however, such as churches, schools, public buildings, etc., are unchanged.

Another change in the minimum tariff is that on the number of rooms under the rooming house classification. The minimum goes from 10 to 20 and the maximum is cut from 30 to 20.

Program Plans Set For Surety Meeting

Plans and problems of the construction industry and the surety business will be reviewed at the National Assn. of Surety Bond Producers' annual meeting, March 31 to April 2, at Hotel Westward Ho, Phoenix. A record registration of more than 300 is anticipated.

With Dallas Smith of Dallas presiding, the opening session will feature a report of the special committee on form standardization by A. L. Carr, New York, and Jack East Jr., Little Rock. Discussions follow on the surety bond producer, the advantages of corporate surety bonds on private construction projects, and proposed association projects for the coming year.

Joint Session April 1

The joint session on April 1 will present four well known speakers. Mayor Williams of Phoenix and Gordon Shoaf, chief deputy director of the Arizona insurance department, will deliver greetings. Other speakers will be:

James D. Marshall, executive director, Associated General Contractors of America, Washington, on "Skill, Integrity and Responsibility in the Construction Industry;" Col. Carroll T. Newton, district engineer, U. S. army engineers, Los Angeles, on "U. S. Army Engineers' Present and Future Construction Plans;" and, David C. Baer, Houston, chairman American Institute of Architects' committee on bonds and contract forms, on "Current Problems, Bonding Private Projects; the Architects' Point of View."

The concluding executive session April 2 will hear committee reports and elect officers. Entertainment will include a chuck wagon cook-out in the desert and a side trip to Las Vegas.

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NAIIA To Hold Annual In Boston, April 28-30

National Assn. of Independent Insurance Adjusters will hold its annual convention at the Sheraton-Plaza hotel, Boston, April 28-30.

The convention program includes combined meetings for members and company claims men on each of the three days, at which outstanding industry representatives will discuss various problems involved in claim adjusting. Afternoon sessions for members only will be held April 28 and 30 for association business and elections.

Convention committees are being directed by A. Edward LaChapelle of Providence, vice-president of the eastern region of NAIIA. President Joseph M. Cashin, East Orange, N. J., and Ralph G. McCallum, association general manager, are in charge of convention plans and arrangements.

On April 28 there will be a luncheon, and C. Obed Carlson, editor of *Best's Adjusters and Investigators* will be host at an evening reception. There will be a golf tournament, April 29, and a banquet and dance closing the convention on April 30.

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Fireman's Fund recently received an award of merit from the San Francisco Planning & Housing Assn. for "site planning and design" of the Fund's new Laurel Heights home office. Mayor Christopher of San Francisco said that "the Fund's new building is an outstanding contribution in the field of planning which enhances and improves the city."

Umbrella Contract Is Shock Absorber, Mo. Buyers Told

The measure of loss to property or profits from common hazards such as fire can be accurately determined, but the potential liability exposure that claimants for personal injury damage may shoot for is quite a different matter, Robert S. Pike, vice-president of Rollins Burdick Hunter, told St. Louis Insured Members Conference of Associated Industries of Missouri.

Speaking on umbrella excess liability coverage, Mr. Pike said: "It is a constant concern to the man responsible for the most basic decisions regarding a company's insurance program whether its limits of coverage are adequate for legal liability exposures and if the coverage is broad enough."

Calling attention to judgments by increasingly generous juries and court decisions which have broadened negligence definitions, he said that claimants and even whole communities are "banding together and taking out after every corporate entity and governmental unit in any remote way connected with stream pollution, air contamination, radioactive fall-out and a host of other hazards to which industry today is exposed."

$1 Million Popular Amount

Lloyds underwriters have provided "an air suspension shock absorber for the twin ruts of coverage and limits —the umbrella liability policy," he said. The amount of coverage to buy is determined by the client's present limits which may vary from $500,000 to $5 million—$1 million having proved to be the most popular amount, he said.

The $1 million is a combined bodily injury property damage limit per occurrence, subject to a $1 million aggregate products and completed operation limit. Thus the policy limit is available as excess bodily injury, either per person or per occurrence, or as excess property damage or as excess both bodily injury and property damage to a total of $1 million for any one occurrence.

The umbrella contract provides all coverage found in the basic or primary liability coverage and includes a number of broadening features, he declared. Personal injury is covered rather than just bodily injury on occurrence basis. Occurrence means a happening or series of happenings arising out of one event. There is no limiting definition of occurrence. Property damage includes damage to property leased, rented or used and damage to property in insured's care, custody or control. Contractural is blanket, both oral and written. Definition of insured includes employes in addition to the name insured and the usual officers, directors and stockholders. If the insured is a self-insurer for workmen's compensation, the umbrella contract may include excess workmen's compensation over any existing compensation coverage the insured may carry. If the insured carries a standard workmen's compensation policy, the umbrella provides excess of the compensation policy limit, thus there is no need to increase the employers' liability limits within the compensation policy.

Mr. Pike said there were a limited number of important exclusions and he listed those pertaining to assault and battery, aircraft and products liability.

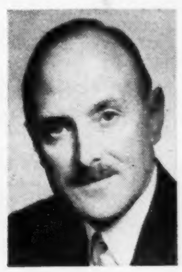
The deductible provision places a ceiling on self-insured exposures while the umbrella applies to excess of the underlying liability policy whose limits may vary from $100,000 to $500,000 for example, with the step down feature. The umbrella contract applies excess of $25,000 for those exposures insured elects to self-insure. The $25,000 includes settlement and defense costs.

Underwriters normally quote a flat premium rather than premium adjustable on payroll or sales, Mr. Pike explained. He said the three contracts are available at 2.7 times the annual premium. The underlying insurance is scheduled on the umbrella policy and should be maintained in full force and effect during the term of the umbrella policy.

Ballou, Harris Are Made Executive V-Ps

W. Fred Ballou and William C. Harris have been elected executive vice-presidents of Phoenix of New York and appointed deputy U. S. managers of London Guarantee and Union Marine & General. They were also elected directors of Phoenix. They have been vice-presidents and assistant U. S. managers, functioning in over-all production and underwriting capacities, respectively, since Dec. 1, 1955.

W. Fred Ballou



William C. Harris

Mr. Ballou was field representative of the group's New England department at Boston 1945 to 1950 when he transferred to Chicago as assistant manager of the western department. In 1953 he went to the home office in New York as countrywide production manager. He has had more than 30 years underwriting and production experience. He is a member of the committee on fire prevention and engineering standards of National Board and a member of the public relations committee of Assn. of Casualty & Surety Companies.

Mr. Harris has been with Phoenix of London group for 29 years, most of it in the head office in London, where he was in charge of fire underwriting for the city of London. He transferred to New York in 1954 and became assistant secretary in charge of fire-derwriting in 1955 and vice-president and assistant U. S. manager in December, 1955. He is a member of the actuarial bureau committee of National Board and the rating methods research committee and the rating methods research advisory committee of Eastern Underwriters Assn.

John Hawkinson, vice-president of Central Life of Des Moines, has been named a director of **Mill Owners Mutual,** Des Moines. Robert B. Taylor was reelected president; A. P. Jones was promoted from assistant secretary to vice-president; and G. N. Canon was named assistant secretary.

Underwriting Loss For Boston, Surplus Down, Volume Up

Boston had an underwriting loss of $5,146,870 in 1957 compared with $5,197,040 in 1956. Capital and surplus declined $4,968,114 to $35,495,049 at Dec. 31. Written premiums reached $52,976,265, an increase of 3.9%, while the unearned premium reserve was down $179,237.

Loss ratio, incurred to earned, was 66.29, and expenses to premiums written was 43.54, for a total of 109.83.

Boston's investment income was up $53,539 to $2,614,894, and assets at year end were $100,726,148, down $3,573,105 from 1956.

In his comments to shareholders on company results, President Cyril S. Hart said: "The industry is well aware of the various factors which have contributed to the heavy loss sustained. The need for a change in rate making methods in order to provide rates which will more adequately reflect changing economic conditions is under continuous study. It must be realized however that improvement resulting from rate increases is relatively slow in making itself felt because the application of the new rates must await the expiration of present policies."

S. C. Bill Asks Option On Wind-Hail Deductible

The South Carolina house has passed and sent to the senate a bill making optional the $50 deductible on wind and hail policies. The insurance department rules last year that the deductible was mandatory.

Another bill introduced in the house would prohibit sale in the state of motor vehicle liability policies, regardless of limits, unless they offer up to $10,000 protection against uninsured drivers. A company selling a policy without this protection would lose the right to operate in the state. The bill was referred to a house committee for study.

Wolfe Milwaukee Agent Speaker

Hubert O. Wolfe, Milwaukee attorney specializing in surance law, will address a breakfast meeting of the Milwaukee Assn. of Insurance Agents on March 18. He will discuss effective cancellations and legal liabilities of agents. His review will cover statutory policies, cancellation notice requirements, and responsibilities of agents receiving instructions to cancel.

Ogden Succeeds Guy In America Fore Post

America Fore has appointed Herbert S. Ogden agency superintendent at Chicago. He will supervise the automobile underwriting divisions in the western department, succeeding Assistant Secretary James E. Guy, whose retirement was announced several weeks ago.

Mr. Ogden served as resident manager of Fidelity & Casualty at Des Moines since the establishment of the office there in 1950. He joined America Fore in 1933 in the F.&C. home office automobile department. In 1936 he transferred to St. Louis as superintendent of all casualty lines. In 1948 he returned to home office duties as supervising underwriter in the automobile department of all companies of the group.

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Preferred Transfers Fla. Office

Preferred Ins. Co. has transferred its Florida operations from Jacksonville to a new branch office at Lake Worth. John G. Rine will head the new office.

Study Shows WC Cost In N. Y. For Injuries

A special study of five selected categories of industrial injuries in 1956 made by New York Workmen's Compensation Board at the request of the U. S. Department of Labor included analysis of the number of cases and amounts of compensation awarded in occupational injuries which involved amputation of the right arm, fracture of the lower left leg, skull fracture, hernia, or the loss of sight in one eye.

The results of the study have just been released. Purpose of the inquiry was to provide common denominators for comparison to be made among the states at the forthcoming President's conference on occupational safety.

The average amount of compensation awarded to injured workers who suffered skull fractures was $7,942 per case, exclusive of the cost of medical and hospital care, according to the report. The 331 cases involved did not include those in which multiple injuries may have occurred. The injured workers in 307 of these cases were men, and 24 were women. The highest average awards, $11,049 per case, were in the 30 to 34 year age group for men, and $10,388 per case in the 20-to-24 group for women.

Most frequent in occurrence, but with smaller awards, were 8,749 hernia cases, which averaged $356 per case, exclusive of the cost of medical and hospital care. For persons over 50, when compared in five-year age groupings, the average WC award remained consistently above the average per case for all age groups.

Legs Account For 2,158 Cases

Fractures of the lower leg accounted for 2,158 compensated cases closed in 1956. In 84% of these cases those injured were men, and in 16%, women. The average award for this type of injury, exclusive of the cost of medical and hospital care, was substantially less for women than for men—$1,143 compared with $1,659. Under 45, men and women, the average award was below the award for all ages. Though the average award for men over 45 was consistently below the all-age male average, the average award for women in the same age category fluctuated, by age groupings, both above and below the all-age female average.

Only 35 women suffered industrial loss of sight, partial or total, while 554 male cases closed in 1956 were in this category. In most cases the accidents resulted in some degree of loss of sight in one eye. In only a few cases did loss of vision in both eyes follow the accident. The average award per case for both men and women was $3,777. In the 50-54 year age group, the highest average, $5,659 per case, was awarded.

A total of $128,268 in WC, exclusive of the cost of medical and hospital care, was awarded to 10 claimants in cases closed in 1956 on account of amputations of part or all of the right arm.

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Pollard Turman of Atlanta has been elected a director of **Southern General**. He is president of J. M. Tull Metal & Supply Co.

American States' Claim Conference Seeks To Encourage Communication Between Insurers

An elaborate claims conference was conducted recently at the home office of American States for staff personnel and some 40 officers and claim executives of other companies. About 150 persons were on hand for the three-day meeting.

Lewis E. Person, general claim manager of American States, remarked at the opening session that a careful analysis of claim activity indicates two things:

1. Claim personnel has fallen into a "dull routine" of claim handling, with no ingenuity or resourcefulness in approaching the adverse liability trend. A computation of *American Bar Journal* shows that seven of 10 litigated *personal* injury cases now turn on medical considerations rather than legal. As the volume of personal injury claims increases, he said, the need for medical-legal information has been brought forcefully to the attention of those engaged in personal injury claims and suits.

2. There is "no real communication and/or objective assistance" between claim personnel of various insurance companies. The industry is highly competitive and Mr. Person said the result is that cooperation between the companies "has disintegrated almost to a point of no cooperation."

He contrasted the latter situation with the development of NACCA which has a public relations association "second to none" that is "brainwashing the general public" with such ideas as the adequate award compensation for injured persons, large verdicts having no effect on insurance rates, inadequate negligence laws, etc.

Personnel in garages and engaged in general repairs of all types, Mr. Person declared, have in many areas "assisted and nurtured the dishonesty of certain persons" by ballooning estimates, covering deductibles, replacing items that should have been repaired, and assisting in adding additional damage. They do this, Mr. Person charged, knowing that the keenness of competition between insurers does not affect their business when they are caught by one company. Competition that exists between insurance companies for business should end at the claim level, he declared.

Urges A 'Reawakening'

Mr. Person urged a "reawakening" of claim personnel. He said there are two branches of law developing, one for the defendant carrying liability insurance and one "retaining a semblance of basic principles" where the defendant does not have insurance. The purpose of American States' claim meeting, he said, was to develop a uniform approach concerning common claim problems, and to develop cooperation in communication between claim personnel of other companies, and to obtain factual and constructive information to meet the adverse trend of BI and material damage costs.

E. P. Gallagher, executive vice-president and general counsel of American States, discussed the increasing claims consciousness of the public, as well as attorneys and doctors. Bodily injury claims are exaggerated, and he said this is the greatest trend in liability claims today—the phenomenal rise in average cost per claim, an increase much greater than the inflationary trend.

Claim supervisors, according to a survey taken by Mr. Gallagher, feel that 80% of bodily injury claims are exaggerated to some degree. Some are psychological, but particularly in larger cities the exaggeration is intentional. This calls, Mr. Gallagher said, for some additional energy on the part of the claim man who has to do some digging to get the facts about the extent of the injury.

The claim man starts with the advantage of knowing that a claimant who says he is incapacitated must spend several months in this condition before his case comes to trial. If a claim is exaggerated, chances are he will forget his incapacity before the trial and the alert claim man will then be able to tell of the recovery to the judge and jury. Mr. Gallagher said it is up to a tenacious claim man to uncover such occurrences. Often a claimant who knows he is being checked in this manner will drop his pretense of continued impairment.

Shows Blast Damage Example

Stratton Hammon, vibration damage specialist of Louisville, Ky., showed a map of a town across the river from Cincinnati in which a careful contracter blasted a site for a shopping center. Mr. Hammon said 241 claims have been made for damage and if the average were to be maintained throughout all claims that have been paid so far, the loss will amount to almost $400,000. The contracter carried $100,000 liability insurance.

He pointed out that the concentration of claims was directly in front of the cut in the side of the hill where the noise of the blasting would have been the greatest. The concentration of houses on the far side of the same hill received the same ground vibrations, but there were only a fraction of the number of claims because the hill blocked the noise. The patterns of claims can definitely be traced, Mr. Hammon said, to valleys which conveyed the sound of blasting and to neighborhood gossip. He preceded his remarks on the blast damage with some explanation how cracks in houses result from poor design and poor construction permitting more than usual damage to result from the three principal destructive factors: Expansion and contraction, shrinkage of wood, and movement of the foundation. These are silent forces of destruction, and Mr. Hammon said they do not force themselves upon the attention of the homeowner.

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Royal-Globe Makes Grant Manager Of Payroll Audit

Royal-Globe has appointed Edward T. Grant manager of the payroll audit department in New York. He succeeds Stuart Barton, who retired after 29 years with the group, 14 of them as department head.

Mr. Grant, who joined the group in 1941 as resident auditor in Albany, was assistant manager of payroll audit operations for the last four years and before that was supervising auditor at Syracuse.

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R. B. Angell and **Robert F. Leach** have been elected directors of Anchor Casualty. Mr. Angell is a former treasurer of the company who resigned in 1956 to devote his time to management of his personal business interests. Mr. Leach is with the law firm of Oppenheimer, Hodgson, Brown, Baer & Wolff of St. Paul.

Hartford Group Has 1957 Underwriting And Surplus Losses

Hartford Fire group experienced an underwriting loss in 1957 of $7,018,688, compared with an underwriting gain in 1956 of $786,052, and one of $20,616,683 in 1955.

Premiums increased from $360,742,079 to $388,443,403, which resulted in an increase in unearned premium reserve of $14,105,407. Principally as a result of the decline in market values of common stocks, securities valued on the commissioners' basis declined $20,460,450. There was a loss in policyholders surplus of $18,277,500. This figure at last year end stood at $285,916,844.

Fire and allied lines premiums written in 1957 totaled $169,151,093, compared with $160,007,593 the preceding year. Casualty and surety premiums were $218,204,437, compared with $199,668,313, and live stock premiums totaled $1,087,873 in 1957 and $1,066,173 in 1956.

Unpaid installments on term policies not yet recorded as written premiums at last year end stood at $68 million. This compared with $51,600,000 at 1956 year end and with $36 million at the end of 1955.

The underwriting loss was $4,387,681 for the fire and allied lines $2,879,317 for the casualty and surety lines, and a gain of $248,310 for live stock. These figures compare with like figures for 1956 of a loss of $1,475,998, a gain of $2,166,604, and a gain of $95,446.

The ratio of incurred losses to earned premiums was almost the same in 1957 as in 1956, 55.79 compared with 55.17, but well up from 51.7 figure of 1955. The ratio of incurred loss expense to earned premiums for the three years was 7, 6.47, and 6.19. Incurred expense to written premiums was 37.67 in 1957, 37.49 in 1956 and 37.02 in 1955.

Net gain from operations in 1957 was $12,934,731, $5.17 a share, compared with $15,816,997, or $6.33 a share in 1956. This was after federal income tax.

The group comments that 1957 continued to present favorable opportunities for investment in long term bonds, particularly tax-exempts, and emphasis of the company in its investments during the year was principally in this direction.

Late in 1957 interest rates declined and market quotations for bonds increased substantially. Consequently, if actual market prices of bonds were used, the entire bond portfolio would have shown an appreciation of $14,388,199 and the security portfolio would have shown a decline of $6,072,251, rather than the decline of $20,460,450 predicated on the commissioners' basis. This also would reduce the surplus loss.

Hartford Fire, with written premiums of $158,543,255, had an underwriting loss of $3,921,775. Hartford Accident, with $218,204,437 in written premiums, sustained an underwriting loss of $2,879,317. London-Canada Ins. Co., on $857,144 of written premiums, had an underwriting loss of $262,091.

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Delos M. Cosgrove Jr. and **George Carleton Jr.** have been elected directors of Agricultural and Empire State. Mr. Cosgrove is a Watertown attorney. Mr. Carleton is president of Nice Ball Bearing Co. of Philadelphia, and president of Channing Corp. of California.

Results Good For Jefferson Of N. Y.

Jefferson of New York wrote $908,567 in 1957, compared with $877,011 in 1956. Though ocean marine continued to represent the largest line, $443,625, fire and allied lines showed substantial increases. For example, 1957 fire and extended coverage premiums were $291,737, compared with $234,000 in 1956.

The ocean marine loss ratio, earned to incurred, was 86.3 for 1957. However, this was reduced to 65.7 for aggregate results by experience on the other lines. The ratio for fire and EC was 53, other allied lines 42.9, homeowners 25.1, earthquake 7, inland marine 51.8, and auto PHD 46.7. The company's plan is to continue to diversify its lines.

The company had a $20,931 increase in policyholders surplus, to $2,059,822, and a $101,122 increase in assets, to $3,657,626.

Zurich Names Amluxen To Midwest Department

Zurich has promoted Richard N. Amluxen to assistant superintendent of agencies, of the midwest department at Chicago. Donald M. Reed, Pittsburgh field representative, will replace Mr. Amluxen as manager at Grand Rapids.

Richard N. Amluxen

Mr. Amluxen joined Zurich in 1948 as an underwriter in the Detroit office. In 1950 he transferred to that office's agency department as a field man. Four years later he was made agency supervisor there. He became manager at Grand Rapids in 1956.

Mr. Reed joined the Pittsburgh staff in 1949. He left briefly to join an agency in 1956, but returned as field representative last year.

Fyr-Fyter Co. Buys Globe Sprinkler Co.

Fyr-Fyter Co. of Dayton, manufacturer of fire protection products, has purchased Globe Automatic Sprinkler Co., Philadelphia. A. M. Lewis, president of Globe and generally recognized as the dean of the sprinkler industry, will continue with Fyr-Fyter.

Globe Automatic Sprinkler manufactures a complete line of sprinkler equipment approved by both Underwriters Laboratories and Factory Mutuals Laboratories. Immediate steps will be taken to integrate the sprinkler line with Fyr-Fyter's portable and wheeled fire extinguishers, fire hose nozzles and couplings, chemical fire protection systems, and municipal and industrial fire alarm systems.

Two Insurers Reduce Dividends On Auto Lines

Automobile Mutual and Factory Mutual Liability of Providence have reduced dividends, effective March 1, from 35 to 25% on automobile lines. Dividends on other lines continue at 35%.

Hartford Board at its annual meeting elected Edward C. Eaton 3rd of the J. Watson Beach agency president, David E. Ashton, vice-president, and E. D. Cowles 3rd, secretary.

Atlantic Group Has Underwriting Gain

Atlantic Mutual and Centennial reported underwriting profit of $430,000 before dividends in 1957, compared with $492,427 in 1956. Policyholders surplus decreased by $146,000 to $27,040,000. Unearned premium reserve was $22,065,000, up $1,432,000.

Losses and loss expenses were 62.3% of earned premiums and underwriting expenses were 34.9% of written premiums in 1957, compared with 61.5% and 33.9% in 1956.

Net premiums written were $34,385,000, an increase of $2,080,000 and a new high. Assets at Dec. 31 stood at a record $82,264,000, a gain of $4,042,000 over 1956.

In their annual report, Franklin B. Tuttle, chairman, and Miles F. York, president, noted that while the profit was low in relation to the volume of business, it was a satisfactory result in view of the abnormally high claims ratios in the property and casualty field.

Mich. Lawmakers Bury Noxious Insurance Bills

LANSING—The deadline for reporting of bills from committees in the Michigan legislature has passed and measures that had drawn fire from insurance spokesmen appear to have been pigeonholed to gather dust for this session.

Among the casualties were several bills to establish compulsory or uninsured motorist funds, measures to force most employers to provide disability coverage, and a long list of bills to liberalize in varying degrees the workmen's compensation act. Also dead was the perennial bill to substitute for Michigan's contributory negligence law the doctrine of comparative negligence.

Several bills of insurance interest made progress toward enactment recently. The house passed an aviation equivalent of the motor vehicle guest passenger act, and the senate passed a measure endorsed by Commissioner Navarre which would give him jurisdiction over union welfare and trust funds.

Concentrate On Profit; Record Third Best Year

In his annual report to stockholders, Chairman D. F. Gallahue of American States comments that management made its primary effort last year toward making an operating profit rather than expansion in volume. The results were that net profit after taxes was $1,172,649, the third most profitable year in the company's history; premiums written increased $992,389 to $29,554,228, a record; assets increased $157,181 to $32,262,775; unearned premium reserve increased $1,036,793 to $15,495,139; reserve for contingencies (the fluctuating item in American States' surplus) increased $114,922 to $1,640,116.

Va. 1752 Plans Clinics

Virginia district of Southern 1752 Club will hold three spring clinics: March 13, Hotel Roanoke, Roanoke; March 18, Hotel John Marshall, Richmond; and March 20, Black Angus restaurant, Norfolk. Topics for discussion at these meetings will be rating problems and structures of Virginia, the consequential loss endorsement, and dwelling package policy situations.

Sweeney & Clyde agency of Chester, Pa., is celebrating its 100th anniversary in insurance and real estate.

Jackson Comptroller In Safeguard Shifts

Jack J. Jackson has been made a comptroller of Safeguard, and has also been appointed branch comptroller of London & Lancashire. He joined the company in 1950 as an assistant underwriter in the casualty department.

Also appointed were Kenneth I. Chase as chief accountant, and Richard F. Coughlin as superintendent of the tabulating department of the group. Mr. Chase has been associated with London & Lancashire group since 1950.

Conway Retires From F.&C. At Milwaukee

George F. Conway, resident manager of Fidelity & Casualty at Milwaukee, has retired after 49 years with the company. Walter F. Bogk, formerly manager of Loyalty group at Milwaukee, has been named resident manager of F.&C. to succeed him.

Mr. Conway joined F.&C. in 1909 in Milwaukee. He served in office and field capacities, and was appointed resident manager in 1927.

Mr. Bogk began his insurance career in Milwaukee in 1934. He has had multiple line production and management responsibilities in Wisconsin, Michigan, Minnesota and Washington, D. C. In 1946 he joined Loyalty group as a special agent. He was appointed assistant manager at Milwaukee in 1954 and manager in 1955.

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Detroit Adjustment Co. Formed

Robert J. Tompkins Co., adjustment firm, has opened offices at 1331 East State Fair in Detroit. Mr. Tompkins has had 12 years experience in the adjustment field.

Prov. Washington Has 1957 Operating Gain Of $162,182

Providence Washington, President Roy E. Carr reported to stockholders, had an operating profit of $162,182 in 1957. Statutory underwriting loss was $992,514 but net investment income was $1,154,969.

These results reflect the merger of the company and Providence Washington Indemnity, plus sale of the west coast division, which were both effective at year end.

The ratio of incurred losses and loss expenses to earned premiums was 62.7 and the ratio of incurred expenses to written premiums was 45.1 for a total of 107.8. Policyholders surplus at year end was $11,998,176 on convention basis, and $10,022,068 on market value, compared with $12,607,513 and $10,033,390, respectively, at the end of 1956.

Sale Eliminates Losing Unit

Sale of the west coast division eliminated a unit that had been losing money, converted the company's building in California into a liquid asset of $456,873, increased surplus by $666,307, and reduced assets by $1,168,904, Mr. Carr reported. This sale also introduced non-recurring factors into operating figures and ratios.

Mr. Carr said that though six months is too short a time to prove a trend, there are indications that rate increases and the company's efforts to improve the quality of its business and reduce costs of operations are producing results. This is evidenced by the fact that the last half of 1957 showed an operating profit of $267,554, exclusive of non-recurring items, compared with operating losses in the two prior half-year periods.

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Board Takes New Name

Indianapolis Insurance Board has been renamed Independent Insurance Agents of Indianapolis Inc. Endorsing the change by a large vote, members agreed that the new name would be more meaningful and would tie in better with their current advertising campaign.

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Konrath Named By Meeker-Magner

Frank M. Konrath has been named compensation and liability manager of Meeker-Magner Co., Chicago, filling the vacancy caused by the death of Earl F. Bush. Mr. Konrath joined the company five years ago after 13 years as an insurance underwriter. Mr. Bush had been manager of the department for 43 years, and was a director of Meeker-Magner.

Current Fire Service Problems Studied At Memphis F. D. Instructors Conference

A plant manager must give the same attention and care to development of a fire prevention program within a plant as he does to the production of quality parts, L. M. Millon, resident manager Ternstedt division of General Motors Corp., said in an address before the annual Fire Department Instructors Conference at Memphis. "Without a properly planned and administered fire protection program, he may find himself without a plant and no need for emphasis on quality production," he warned.

The conference was sponsored by fire prevention department of Western Actuarial Bureau and Memphis fire department. Richard E. Vernor, WAB fire prevention department manager, presided.

Mr. Millon stressed the importance of a "clean" plant as a necessity to sound industrial operations. "When I talk about a clean plant I don't mean one with just the floors swept or with freshly painted aisle lines. I am talking about a plant that has some semblance of organization to it—some semblance of layout of process sequence," he continued.

Ternstedt has its own fire companies which are tied in municipal fire services, but in addition has an extensive fire brigade organization whose sole responsibility is to look out for the safety of plant people while the fire companies handle the fire. All brigades are trained to use all fire fighting equipment, and in the past year some 1,200 men have been trained, he said.

Commenting that it is sometimes hard to get the plant protection story through to all employes in a large organization, Mr. Millon said Ternstedt solved this problem by shutting down the entire plant for five minutes during each shift so that each department supervisor could talk to his crew about safety. "The impact brought about a sober, sincere approach to our problem," he said. "Sometimes you have to do something that jars the foundation of the entire plant organization."

No Basic Differences Exist

No basic differences between telephone-type and telegraph-type fire alarm systems exist in relation to the number of alarms received, Robert A. Young, special assistant to director of municipal surveys National Broad, said in his address. Telephone-type systems are not new, he said, although they have been receiving more publicity since 1950, and the degree of their adequacy and reliability depends to some extent upon the cooperation of the city and telephone company concerned.

"These systems are maintained by telephone company personnel, and because these employes are not under the jurisdiction of the city, we place a charge in the town grading because there is a possibility of interruption to service in event of a prolonged strike," he explained. However, all cities using telephone facilities report that maintenance on the system has been prompt and trouble quickly cleared.

He described in detail the telephone alarm box with its handset, the type of circuits used, equipment at fire alarm headquarters, and operation of switchboards of telephone-type systems. The telephone system transmits an alarm without speech merely by taking the handset off the hook, and the signal on the switchboard continues until manually released by the operator even though handset is replaced on its hook in the streeet box, he pointed out.

"Several cities are experiencing considerable misuse of boxes by both adults and children," Mr. Young declared. "This consists of someone removing the handset, thus sending in an alarm, then replacing the telephone without making a voice report of any emergency." Cities handle these "silent" alarms either by sending an engine company to investigate, or a police car, or by ignoring the call. Mr. Young recommended that one radio-equipped engine company respond to such alarms, for if calls are ignored, the city is penalized.

"There is more to salvage than the mere spreading of covers over stock at fires," Fred Kempf, chief of Chicago Fire Insurance Patrol, declared. "It extends into every phase of fire fighting and is no more or less than the application of common sense methods to fire department operations which, at best, are destructive."

By use of systematic and scientific fire extinguishment methods, many departments are reducing to a minimum losses incidental in extinguishing fires. A large measure of the damage due to water, damage done in ventilating, overhauling and tracing fires, and damage from the elements after a fire can be avoided, he said. He detailed methods of removing water from buildings, controlling sprinkler systems, handling fire streams so they produce minimum of damage, reduc-

(CONTINUED ON PAGE 33)

Still Studying $100 EC Deductible In N. E.

After turning down an optional $100 deductible for extended coverage as proposed by Liberty Mutual, New England Fire Insurance Rating Assn. is still studying a mandatory deductible of that size as advocated by the agency mutuals, it was indicated at the annual meeting of the rating bureau in Boston.

Allen M. Mills of Camden Fire and F. J. Vennstrom of London & Lancashire were elected governors. Edward J. Martin of Phoenix-Connecticut was reelected chairman.

Argonaut Reports '57 Underwriting Profit

Argonaut and its predecessor, Argonaut Insurance Exchange, had a combined operating profit in 1957 of $1,979,203. Of this amount $1,616,262 was underwriting profit, making it the ninth consecutive year the company has showed a profit, President Harold A. Hatch has reported.

Earned premiums increased to $17,463,257 with $9,884,944 in losses. Assets and surplus reached new highs of $21,315,412 and $4,371,362, respectively.

Argonaut has bought Paul V. Black Co., Boise, Ida., general agency, with the agency becoming the Boise division of the California group.

B. C. Ziegler Co. agency at West Bend, Wis., has purchased the Regner agency from Elizabeth Regner, widow of Henry O. Regner who founded the agency in 1918.

Federal Has Gains In Underwriting, Volume, Earnings

Federal and its wholly owned subsidiary, Vigilant, had an underwriting profit of $351,600 for 1957 compared with $689,075 in 1956. Unearned premium reserve increased $4,699,786 to $44,514,216. Written premiums were up by $8,280,209 to $63,371,533.

Policyholders surplus declined from $88,200,289 to $87,728,000 at Dec. 31. This decline would not have been so small had the depreciation in the stock portfolio not been offset substantially by the issuance of stock for Colonial. Policyholders surplus at year end amounted to $28.41 per share compared with $32.67 per share the year before. The report to stockholders by Hendon Chubb, chairman, and Percy Chubb, president, states that this reduction was due to two factors: First, stock of Colonial Life, 97% owned subsidiary acquired in 1957, was included for annual statement purposes at its book value which is substantially lower than book value of Federal shares issued in exchange; and second, a decrease in the market value of the company's common stock holdings.

Loss ratio, incurred to earned, was 60.1, and expense ratio to written was 36.3 for a total of 96.4 against 96.6 in 1956.

Net investment income reached a new high of $4,936,873 compared with $4,236,518 in 1956. Net income after taxes was $4,010,823 for 1957 and $3,626,009 the year before. Proportionate share of Colonial earnings brought net income to $4,320,717 in 1957. This is equal to $1.40 a share on 3,087,916 shares outstanding while the 1956 figure was $1.34 on 2,700,000 shares.

Assets were $175,644,178 at year end, up $8,700,177.

The report to stockholders declares confidence in the long term future of the business despite current unsatisfactory conditions, and illustrates how Federal is taking steps to insure long range development. Examples given are the acquisition of Colonial Life in 1957, thus opening channels of business which should involve growth and profit over the years, and the opening of new branches in New Orleans and Denver as well as expansion of the Philadelphia service office of the bonding department into a full scale branch.

O'Reilly Elected By American Casualty

Archer O'Reilly Jr. has been named assistant secretary of American Casualty. Previously he was financial secretary of American group.

He started as investment analyst with Mississippi Valley Trust Co. in St. Louis in 1932. In 1933 he became assistant statistician with American Automobile, later advancing to assistant treasurer, then treasurer, and, in 1951, to the dual position of financial secretary and secretary. He was also treasurer and financial secretary of two affiliates, Associated Indemnity, and Associated F.&M.

At **Martinsburg, W. Va.**, the local agency of Kenneth E. Steryous has been merged with that of Smith, Nadenbousch. Principals in the agency now include Clyde E. Smith Jr., past president, West Virginia Assn. of Insurance Agents, John L. Nadenbousch and Mr. Steryous.

Menefee Challenges Call For Federal Control of Rates

In a statement to Associated Press, George Menefee, former chairman of the casualty and surety division of Louisiana insurance commission and now a consultant to insurers, has derided the claim that federal control would lower insurance rates.

He challenged proposals made by Perry Nichols, president of the National Assn. of Claimants Compensation Attorneys at a meeting of NACCA in New Orleans.

"The remarks of Mr. Nichols are particularly inappropriate at this time," Mr. Menefee said, "coming as they do in time of high insurance rates caused as much by the association to which Mr. Nichols belongs as to any other single factor."

States Need For Control

Mr. Nichols, who called on the insurance industry to put its house in order or face federal regulation, stated that the need for such control was one of the greatest in the country.

"There is no regulatory body on a national level to govern such things as premium rates," he said, "and I think that if not a regulatory body we should at least have an investigation into these outlandish rates."

Mr. Menefee observed: "If these attorneys are interested in regulation they might consider regulating the fees of members of their association which we are told on good authority frequently equal as much as half the amount of the award granted to the injured Mr. Nichols is so diligently protecting.

"Supposedly Mr. Nichols advocates federal control of insurance on the grounds that such control would reduce the cost of insurance," Mr. Menefee said. "An examination of the record would convince almost anyone that federal control of anything is invariably the most expensive control possible to provide."

Takes Issue With NACCA Editor

Mr. Menefee also took issue with Thomas F. Lambert Jr., Boston, editor of the *NACCA Law Journal*, who charged the insurance business is "muddying the waters of public opinion" with planted articles on so-called runaway verdicts in claim cases.

Mr. Menefee said that on the contrary the business was actually pitifully inadequate in presenting its own side of the story of high insurance rates.

He added that he was surprised that the chairman of the casualty division or the insurance commissioner of Louisiana had not seen fit to refute the foolish remarks of Messrs. Nichols and Lambert.

National Union Names Dawson In No. Illinois

Thomas A. Dawson has been appointed special agent in northern Illinois for National Union. This is a newly created territory which Mr. Dawson will service from headquarters in the Gas-Electric building, Rockford.

Mr. Dawson started as a local agent in Joliet, and has traveled the Illinois field as special agent for six years.

F. E. Ward has joined Ohio Claims Service at the Springfield office. He has been with Western Adjustment.

WC Premiums Rise To $1.3 Billion In 1957, Reall Reports

In the annual report of the National Council on Compensation Insurance, George F. Reall, general manager pointed out that although workmen's compensation loss ratios moved up from 1956 levels, the shift was not material and final results are expected to show the line still in the black.

Complete data for the first half of 1957 and second half reports from 16 companies writing approximately 50% of the country's WC business indicate that the loss and loss expense ratio for 1957 will equal the "permissible" 70%. For these companies the results for the full year show an improvement of about one percentage point over the first half of 1957. Premiums countrywide reached $1.3 billion, or 5% above 1956.

Breaks Down Premium Dollar

The report's breakdown of the net premium rate after premium discounts shows that 72.9% of the workmen's compensation premium dollar goes for the direct benefit of the employer and his employes; 7.8% for insurer operating expenses and bureaus; 2.5% for contingencies and profit; 2.5% for state taxes; and 14.3% for commissions, brokerage and field supervision.

In commenting on the National Council's rate revision program, Mr. Reall states that proposals were accepted as filed with very few exceptions and that during 1957 both Georgia and New Jersey adopted the standard allowance of 2.5 points for profit and contingencies. All jurisdictions except California now have accepted the standard allowance. In California, however, rates are minimum rates and therefore, the insurers are at liberty to use the approved rates plus an allowance for profit and contingencies.

Mr. Reall commented that 1957 was a busy legislative year and about 1,500 bills were reviewed by the council to ascertain whether they affected WC costs. It is estimated that the 1957 legislatures produced changes in compensation laws which increased rate levels by 5%.

Two Manual Changes

He also called attention to two changes in the compensation manual. The first involved a complete revision of classification language aimed at condensing without changing the scope of the classifications. All jurisdictions have accepted the revisions except California and Texas where the program is still under study. The revised wording means less typing and proofing, less chance of error in preparing policies, and lends itself more readily to the use of automatic machinery in the issuance of contracts.

The second manual change is the revision from $100 to $300 in the maximum payroll used for premium computation purposes. This is being filed with each state revision. Mr. Reall said that the old $100 limitation was unduly impairing the amount of payroll subject to premium determination so that the premiums received by companies were rapidly becoming disproportionate to the exposures to injury. He emphasized the change in the rule was to correct this condition and not to obtain additional premium. Therefore, offsetting rate reductions determined by classification are included as part of the filing so that the higher payrolls will not produce more premiums over-all.

Wiche To Underwriting Post At Chicago For Continental Casualty

Continental Casualty has appointed Norman C. Wiche liability underwriting manager of the Chicago branch office. He was formerly manager at Kansas City. Mr. Wiche joined Continental in 1943 as an automobile liability underwriter. Before being sent to Kansas City as manager, he had advanced to assistant manager of the automobile and liability departments in the home office.

Elliott To Jones & Whitlock

John S. Elliot, who has been with the American Hull Insurance Syndicate, New York, for 11 years, will join Jones & Whitlock in its executive offices at New York March 15. His appointment was announced this week by C. A. Siebold, president of J.&W., who is Mr. Elliot's father-in-law.

Underwriting And Surplus Losses Of Crum & Forster Rise

Crum & Forster companies—U. S. Fire, Westchester Fire, North River—and the U. S. branches of Western Assurance and British America had an underwriting loss in 1957 of $5,179,148. This compares with an underwriting loss in 1956 of $3,880,271.

Premiums increased 3.5%, to $112,678,134, which resulted in an increase in unearned premium of $1,114,088. Net installments of approximately $7,759,000 on installment premium policies were deferred.

The loss in policyholders surplus was $12,581,900, bringing that figure at year end to $157,453,618. Of the surplus, $43,637,816 was carried as contingency reserve representing the difference between the values carried in assets and the values based on market quotations at year end.

Losses and loss expenses incurred to premiums earned were 63.04%, while expenses and taxes, before federal income tax, to net premiums was 41.24%.

The group earned $9,157,394 before income taxes, an increase of $392,824. After a federal income tax credit of $1,061,645, due chiefly to the present loss carryback provisions of the federal tax law, the group had a net underwriting profit for the year of $4,899,433. In 1956 this figure was $5,395,345.

Kemper Group Promotes Totsch At New Orleans

Marvin D. Totsch has been appointed branch fire manager of the Kemper group at New Orleans. Mr. Totsch joined the Kemper organization in 1955 as an underwriter, after four years as a fire underwriter for Lansing B. Warner.

Chicago CPCUs Hear Davis

Norman Davis, executive engineer of Underwriters Laboratories, Chicago, spoke at the March meeting of Chicago chapter of CPCU. Mr. Davis described the activities of his company and how it serves the insurance industry.

Convention Dates

March 16-18, Eastern Agents Conference of NAIA, Claridge hotel, Atlantic City.

March 24, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore, Providence.

March 30-April 1, Midwest Territorial Conference of NAIA, Fort Des Moines hotel, Des Moines.

March 30-April 1, Iowa Assn. of Insurance Agents, annual, Fort Des Moines hotel, Des Moines.

March 31-April 1, National Assn. of Insurance Commissioners, Zone 3, Dinkler Plaza hotel, Atlanta, Ga.

April 1, National Assn. of Surety Bond Producers, annual, Westward Ho hotel, Phoenix.

April 9-12, National Assn. of Insurance Commissioners, Zone 5, Broadmoor hotel, Colorado Springs, Colo.

April 10-11, Ohio Assn. of Mutual Insurance Agents, annual, Neil House, Columbus.

April 11, District of Columbia Assn. of Insurance Agents I-Day.

April 13-15, Tennessee Assn. of Mutual Insurance Agents, annual, Andrew Jackson hotel, Nashville.

April 14-16, Life Insurance Agency Management Assn., A&S meeting, Edgewater Beach hotel, Chicago.

April 16-18, National Assn. of Insurance Commissioners, Zone 2, John Marshall hotel, Richmond, Va.

April 17-18, National Assn. of Casualty & Surety Agents, midyear, Muehlebach hotel, Kansas City.

April 24, Chicago I-Day, Conrad Hilton hotel.

April 24-26, Southern Agents Conference of NAIA, Fontainebleau hotel, Miami Beach.

April 28-30, National Assn. of Independent Insurance Adjusters, annual, Sheraton Plaza hotel, Boston.

May 1-3, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 1-3, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.

May 2-3, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.

May 4-6, New York State Assn. of Insurance Agents, annual, Hotel Syracuse, Syracuse.

May 5-7, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.

May 8-9, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton hotel, Chicago.

May 11-14, American Assn. of Managing General Agents, annual, Broadmoor hotel, Colorado Springs, Colo.

May 12-14, National Assn. of Mutual Insurance Agents, midyear, Kentucky hotel, Louisville.

May 13-14, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield.

May 16-17, Texas Assn. of Insurance Agents, annual, Rice hotel, Houston.

May 19-23, National Fire Protection Assn., annual, Palmer House, Chicago.

May 21-23, Insurance Company Education Directors Society, annual, Skytop lodge, Skytop, Pa.

May 22, Midwestern Independent Statistical Service, annual, Bismark hotel, Chicago.

May 23-24, Florida Assn. of Insurance Agents, annual, Fontainebleu hotel, Miami Beach.

May 25-27, Florida Assn. of Mutual Insurance Agents, annual, Balmoral hotel, Miami Beach.

June 6-7, Pennsylvania Claim Men's Assn., annual, Bedford Springs, Pa.

June 8-10, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.

June 8-11, Conference of Mutual Casualty Companies, management conference, Grove Park Inn, Asheville, N. C.

June 9-13, National Assn. of Insurance Commissioners, annual, Conrad Hilton hotel, Chicago.

June 11-12, Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.

June 11-14, International Assn. of A&H Underwriters, annual, Statler hotel, Los Angeles.

June 11-14, National Assn. of Public Insurance Adjusters, annual, Hotel Traymore, Atlantic City, N. J.

June 12-14, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.

June 12-14, North Carolina Assn. of Mutual Insurance Agents, annual, Grove Park Inn, Asheville.

June 19-21, Georgia Assn. of Insurance Agents, annual, General Oglethorpe hotel, Savannah.

June 24-27, National Assn. of Insurance Women, annual, Statler Hilton hotel, Detroit.

June 29-July 2, Virginia Assn. of Insurance Agents, annual, Cavalier hotel, Virginia Beach.

Aug. 10-13, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 21-23, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings, Mont.

Sept. 4-5, Conference of Mutual Casualty Companies, sales and agency conference, Conrad Hilton hotel, Chicago.

Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.

American Has Loss In Underwriting, Assets And Surplus

American group had a combined underwriting loss of $18,060,998 in 1957. Losses and loss expense incurred were 70.1% of earned premiums and underwriting expenses 40.4% of net premiums written, for a total of 110.5%. Policyholders surplus was down by $29,859,271 to $141,041,357. Assets decreased by $20,411,373 to $353,733,145 at Dec. 31.

Written premiums of the group were $174,199,557, a decrease of $3,015,963 from 1956. President Robert Z. Alexander attributed the reduction primarily to the application of more selective underwriting standards in certain areas of the business.

American reported policyholders surplus of $94,069,605 at year end, a decrease of $23,207,909. Assets were $223,367,037 down by $4,032,091 from 1956.

American Auto, wholly owned subsidiary of American, had policyholders surplus of $37,284,038 for 1957, down by $2,758,690. Assets declined by $22,618,051 to $103,715,901.

Associated Indemnity, wholly owned subsidiary of American Auto, reported policyholders surplus of $9,687,714, a loss of $3,892,672, and assets of $26,650,207, a gain of $6,238,769 from the year before.

Investment Income Up

Net investment income of the group was $8,306,822, up from $8,233,395 in 1956, and net capital gains from securities was $6,234,157, including adjustments arising from the merger of Bankers Indemnity early in the year.

Mr. Alexander stated that in addition to the general loss situation the companies were also confronted with certain non-recurring integration expenses in 1957 which followed acquisition of American Auto and Associated Indemnity late in 1956 by American.

The three companies in the group entered into a pooling arrangement at the beginning of 1957 which is expected to simplify operations and to make possible certain economies.

National Fire Shows $9 Million Swing Toward The Black

National Fire and Transcontinental showed consolidated gains from operations in 1957 amounting to $2,050,920, or $4.10 per share, as compared to an operating loss in 1956 of $6,924,538, or $13.85 per share. President E. H. Forkel called attention to several major changes in operating policies. National Fire group and Continental Casualty group now operate as members of Continental-National group. Early in 1957 the managements of National Fire and Continental determined that increased efficiency and effectiveness would result if each company confined its activities to those classes of business it was best qualified to underwrite, thereby eliminating dual operational expenses yet retaining full multiple line facilities.

National Fire has withdrawn from the casualty business, including automobile bodily injury and property damage liability, and Continental Casualty is discontinuing writing fire and allied lines. National Fire will write the fire, marine and multiple peril business of the group and Continental Casualty the casualty, fidelity and surety and accident and health classes. Early in 1957 National Fire also terminated its Canadian operations which had been unprofitable.

Premiums Are Down

Consolidated premiums written by the National Fire and Transcontinental amounted to $58,067,718, a decrease of 26.5% from $79,016,906 written in 1956. This decrease is due entirely to the cessation of operations in automobile physical damage volume. Premiums earned totaled $69,884,379, or 12.2% less than in 1956. Losses and loss expenses incurred amounted to $44,869,211, against $56,735,214 in 1956, while expenses and taxes incurred in underwriting operations were $26,983,332, against $34,164,411 in 1956. Combined underwriting losses and expenses amounted to 102.8% of earned premiums in 1957, a decrease from the ratio of 114.3% for the previous year. Statutory underwriting loss amounted to $1,968,164, as compared to a loss of $11,344,014 in 1956.

Net earnings from investments, exclusive of capital gains and losses, amounted to $4,019,084, as compared with $3,958,619. Policyholders surplus Dec. 31, was $47,742,480 compared with $50,755,457 the year before.

J. A. Markel Buys 100% Of Interstate Indemnty

J. A. Markel has purchased all of the preferred and common stock of Interstate Indemnity of Los Angeles. He intends to add $500,000 to capital and surplus within the next four months.

Interstate for some time has been a part of the Markel operation.

Neb. Auto Rates Rise

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. have revised auto rates in Nebraska, effective March 12. The statewide liability increase for private passenger cars is 7.4%.

In Omaha the BI and PDL rate increases range from $4 to $14. In Lincoln rates are unchanged for some insured but increased for most with the increases ranging from $5 to $7. Rates are unchanged for most insured in the remainder of the state, but for some the rate goes up $1 and for others it is reduced $2.

Comprehensive is increased $2 to $5. The $50 deductible collision gets a 10% boost, except in Omaha, where it is 14%. The increase for $100 deductible collision is 7%. The farmer discount is increased from 20 to 30%.

AFIA Shows Profit, New High Volume

American Foreign Insurance Association had an underwriting profit of $1,183,237 in 1957. Investment and other income made a total gain of $1,294,906.

Premiums written were $48,896,668, up 16.2%. Fire premiums increased by 9.4% to $22,645,671. Marine premiums reached a new high of $8,445,710, an increase of 34.5%. Casualty premiums also were at a new peak, of $17,795,287, a gain of 17.6%.

Reinsurance treaties added premium income of $8,926,947 for the year.

In his report to members President James O. Nichols pointed out that the substantial underwriting profit in fire lines was contributed to by practically all territories. Marine showed a small loss, and casualty writings were also unprofitable. Vigorous efforts were made during the year to attain a balance of business between motor car and other types of casualty insurance, Mr. Nichols noted.

Looking to the future, he said: "American private foreign investments now total more than $33 billion; the AFIA has almost $10 million invested abroad. The demands for American capital investment are heard with increasing intensity from all parts of the world. In some areas where AFIA operates workers earn only 1/60th of the average earnings of our people; production of goods is about 5% of the average production here, and life expectancy is about one half of ours. A slight increase in earning power would create a market of tremendous potentialities. This is a challenge which the United States and other nations who believe in free enterprise will meet. It will mean the opening of new economic frontiers and the insurance industry will share in the growth of the economic wealth of these countries."

Pa. Manufacturers Merger Of Fire, Casualty Planned

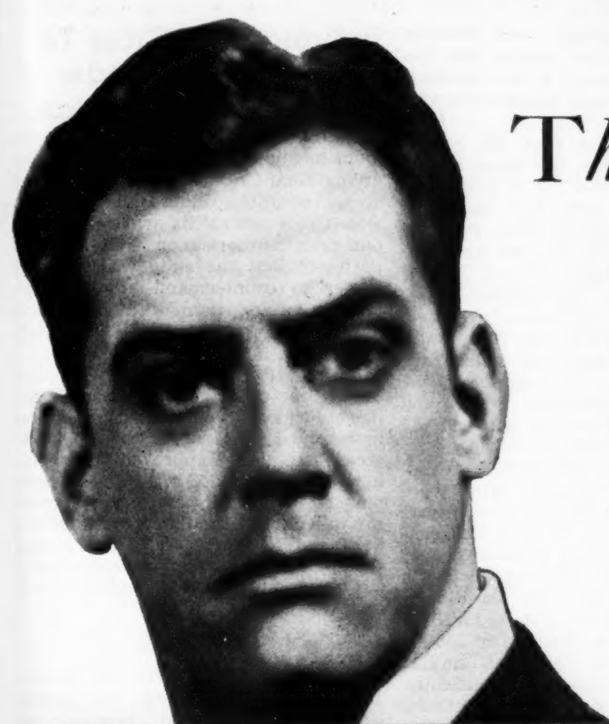
PHILADELPHIA—A merger of Pennsylvania Manufacturers Association Casualty and Pennsylvania Manufacturers Fire has been approved by stockholders.

The change would become effective Jan. 1, 1959, if approved by the offices of the insurance commissioner, attorney general and the governor. The firm would be known as Pennsylvania Manufacturers Association Ins. Co.

Hartford Fire Appoints Bidwell

W. E. Bidwell has been named manager of Hartford Fire's home office supply and shipping department. With the company 25 years, he is the son of the late Percy W. Bidwell, who headed the same department 43 years.

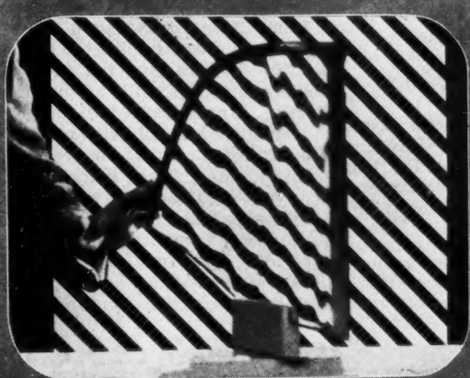
Clement B. Haines, vice-president of Lamport, Fox, Prell & Dolk advertising firm, will discuss local and national advertising before the **South Bend-Mishawaka Assn. of Insurance Agents** March 20.



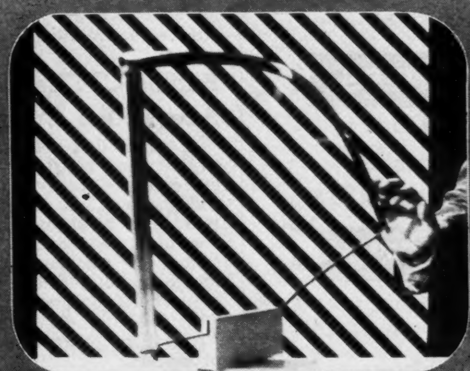
The Perry Mason Show

has convinced 5,300,000 more car owners on the difference in auto glass!

Raymond Burr as Perry Mason—seen on Saturday nights by over 25,000,000 people—on 109 CBS-TV stations.



Scene 1. See how the lines often wiggle when you look through an ordinary safety glass window.



Scene 2. But the lines don't wiggle when you look through an L·O·F Safety *PLATE* window.

Scene 3. Next time you need glass replacement, look for this etch: L·O·F Safety *PLATE*.

Here's how you can avoid complaints about glass replacement

A few months ago most motorists didn't know there were two grades of auto glass. Not today! Surveys show that after only a few months of The Perry Mason Show, some 5,300,000 *more* car owners are aware of the higher optical quality of plate glass. They've seen the difference between ordinary safety glass and L·O·F Safety *PLATE* demonstrated on television.

These commercials on the CBS "Perry Mason Show" advise viewers: "Next time you need glass replacement, look for the etch—L·O·F Safety *PLATE*."

More than half the cars on the road today have L·O·F Safety *PLATE* in every window. So, when windows in these cars are broken, the owners want and are entitled to "like kind and quality."

• • •

Avoid complaints! Specify to glass installers: "*Give my policyholders the same kind and quality of glass they had originally.*"

L O F GLASS

LIBBEY • OWENS • FORD
a Great Name in Glass TOLEDO 3, OHIO

Watch "The Perry Mason Show" on 109 CBS Stations, Saturday Nights... seen by over 25,000,000 people!

Study Finds Hospital Admission Rates Vary With Type Of Coverage

Persons whose medical care costs were covered by insurance while they were in the hospital had a higher annual admission rate than those with coverage for medical care both in and out of the hospital, according to a study by Dr. Paul M. Densen, director of the research and statistical division of Health Insurance Plan of Greater New York, under a grant from U. S. Public Health Service.

The study compared the 1955 hospitalization experience of 57,000 persons who had comprehensive HIP coverage for medical care in and out of the hospital with 53,000 individuals insured under United Medical Service (Blue Shield) contracts covering all or part of medical care given in and out of the hospital in surgical and maternity cases. A third of the latter group also was covered for other medical care provided in the hospital. Both groups were covered for all or part of the hospital fees under the same type of group contracts issued by Associated Hospital Service (Blue Cross).

The study found that the annual admission rate for the Blue Cross-HIP group was 77.4 out of 1,000 persons, compared with 95.8 for those with Blue Shield-Blue Cross. For men only, it was 54 out of 1,000 for those with Blue Cross and HIP and 70.8 for those with Blue Shield-Blue Cross. With obstetrical deliveries excluded, the rate for women was 65.2 under Blue Cross-HIP and 77.5 under Blue Shield-Blue Cross. In analyses of the data by age, employment groups and diagnosis, the differences between the two groups generally persisted.

In the Blue Shield-Blue Cross group, higher admission rates were found among those with contracts covering in-hospital medical and surgical care than among those with only surgical coverage. The average length of stay was 7.6 days for those with Blue Cross-HIP and 7.2 days for Blue Shield-Blue Cross. The study looked at four matched pairs of similar employment groups to determine whether income made any significant difference in admission rates. The same differences were found in three pairs, while the admission rates for one were practically the same.

Pacific CPCUs Hold Acquisition Costs Panel

A panel discussion on "Acquisition Costs" moderated by Irving Pfeffer, professor of insurance University of California at Los Angeles, featured the February meeting of Pacific CPCU chapter. J. Walsh, Liberty Mutual, presented the viewpoint of direct writers on the topic; William E. Brady, Founders, spoke for stock agency companies, and Richard A. Archer, Allen T. Archer Inc., expressed views of the producers.

The discussion made clear that the direct writer, the stock company and the agent or broker all have a definite place in the insurance economy of the future, but all agreed that if the agency company agent or broker wants to compete successfully against the direct writer, he must modernize his merchandising techniques.

Minneapolis CPCUs To Hold Panel

Minneapolis chapter of CPCU will conduct a panel on insurable values, taxes and costs at a meeting of Minneapolis chapter of National Assn. of Accountants, April 17, at Radisson hotel. Members of the panel will be James E. Sellers, Boston, William Peet, Marsh & McLennan, and Frank J. Howard.

Indiana Blue Cross To Set Own Rates Under New Compromise Plan

INDIANAPOLIS—Indiana department has approved a compromise plan giving Blue Cross an average rate increase of 15%. Under the new plan Blue Cross can fix its own rates without prior authorization from the department, but the state will keep its power to countermand any rate increase and department auditors will audit the company's books to justify future rate boosts.

Mutual Hospital Insurance Inc., Indiana Blue Cross carrier, pleaded that it would have to curtail service unless it received more than the 10% increase previously approved. The commissioner responded with an alternate plan of increase by categories according to a fixed formula for determining the need for increases. The formula will permit automatic increases without petition whenever a deficit develops in a category.

Increase To Average 15%

Average increase will be around 15%, according to Guy W. Spring, Blue Cross executive director, but rates may go up "substantially" in some categories.

Blue Cross bookkeepers will begin immediately to establish the new rates, Mr. Spring said, and the first policyholders affected will be notified by April 1. Group rates will take longer to establish but all will probably be finished by the end of the year.

Blue Cross claimed it lost $2 million last year and applied for a rate increase averaging nearly 20%. The insurance department granted a temporary 10% increase last January but these rates have not been applied and will be superseded by the new plan.

All American Of D. C. Quits, New Insurer Formed

WASHINGTON—All American of D. C., which was involved in litigation with Superintendent Jordan over the renewal of its license, has gone out of business. A new firm, Ins. Co. of Washington, has been organized, licensed, and will assume all outstanding business of All American, according to a spokesman for the District of Columbia insurance department.

No Spring Meet For Minn. Assn.

Minnesota Assn. of Insurance Agents will not hold a spring midyear meeting this year. The annual meeting will be held Sept. 14-16 at St. Paul.

Companies Report On 1957 Results

Surplus in the following company reports refers to surplus to policyholders.

Alliance Mutual Casualty—Assets, $4,296,470, incr., $184,531; loss res., $1,106,768; unearned prem., $1,528,823; underwriting gain, $107,926; investment gain, $111,191; net income, $179,471; surplus, $1,421,205, incr., $103,959.

	Premiums Earned $	Losses Incurred $
Fire	64,740	23,293
Extended coverage	46,007	22,362
Other allied lines	321	18
Commercial mult. peril	28	
Inland marine	1,835	749
Accident only (indiv.)	4,651	506
Hosp. & med. (indiv.)	28,714	6,900
Workmen's comp.	68,879	28,138
Liability (not auto)	72,504	27,815
Auto BI liability	1,061,958	555,616
Auto PDL	754,281	366,335
Auto phys. dam.	1,581,532	848,720
Liability (not auto) PD	10,010	10,893
Fidelity	6,255	
Surety	1,808	
Glass	16,581	8,241
Burglary, theft	8,999	3,559
Club livestock	1,056	1,085
Excess catastrophe	7,584	4,767
Total	3,737,752	1,909,004

Allied Mutual Casualty, Des Moines—Assets, $13,840,846, incr., $779,026; loss res., $3,320,039; unearned prem., $4,484,364; underwriting loss, $322,024; investment gain, $306,599; net income, $-122,995; guaranty fund, $500,000; surplus, $4,537,156, decr., $325,571.

	Premiums Earned $	Losses Incurred $
Fire	99,241	56,427
Extended coverage	140,033	44,180
Homeowners mult. peril	21,861	6,366
Cargo	77,547	17,479
Workmen's comp.	779,341	596,984
Liability (not auto)	917,841	292,477
Auto BI liability	2,554,591	1,524,135
Auto PDL	1,802,354	857,703
Auto phys. dam.	2,844,069	1,766,648
Glass	20,686	7,423
Burglary, theft	34,674	13,621
Catastrophe & casualty	59,452	51,625
Total	9,351,691	5,235,071

American & Foreign—Assets, $25,552,673; decr., $40,016; loss res., $6,496,184; unearned prem., $8,365,224, underwriting loss, $646,911; investment gain $713,676; net income, $142,779; capital, $1,500,000; surplus, $9,169,843, decr., $1,150,249.

	Premiums Earned $	Losses Incurred $
Fire	2,583,592	1,365,171
Extended coverage	785,538	386,470
Other allied lines	27,527	9,185
Homeowners mult. peril	254,261	141,460
Commercial mult. peril	21,101	19,967
Earthquake	8,752	—15
Ocean marine	416,394	244,010
Inland marine	384,242	212,463
Accident only (indiv.)	46,725	18,965
A&S (indiv.)	7,149	2,209
Hosp. & med. (indiv.)	86,748	43,046
Group A&S	178,373	153,208
Workmen's comp.	1,230,753	703,792
Liability (not auto)	859,605	423,168
Auto BI liability	2,060,523	1,583,447
Auto PDL	910,174	513,383
Auto phys. dam.	886,767	509,914
Aircraft PHD	29,561	17,671
Liability (not auto) PD	184,569	65,323
Fidelity	102,753	67,308
Surety	108,971	49,003
Glass	76,052	34,042
Burglary, theft	187,843	86,839
Boiler, machinery	119,870	14,048
Total	11,557,854	6,664,088

American Central—Assets, $16,151,250, decr., $690,967; loss res., $1,298,288; unearned prem., $7,125,022, underwriting loss, $767,777; investment gain, $509,371; net income, $—266,772; capital, $1,000,000; surplus, $7,340,230, decr., $938,965.

	Premiums Earned $	Losses Incurred $
Fire	3,453,955	1,980,348
Extended coverage	1,157,206	686,325
Other allied lines	20,153	11,636
Homeowners mult. peril	187,274	127,317
Commercial mult. peril	14,622	9,686
Earthquake	7,378	16
Inland marine	769,466	431,216
Auto PDL	17,093	9,911
Auto phys. dam.	1,153,927	673,257
Glass	760	248
Burglary, theft	371	537
Boiler, machinery	35,473	45,156
Total	6,817,684	3,975,657

American Fidelity & Casualty—Assets, $46,706,764, incr., $2,541,451; loss res., $22,764,628; unearned prem., $9,110,381, underwriting loss, $2,125,955; investment gain $1,020,276; net income, $—651,729; capital, $2,025,000; surplus, $8,774,961, decr., $1,576,536.

	Premiums Earned $	Losses Incurred $
Inland marine	161,720	63,528
Workmen's comp.	606,216	436,731
Liability (not auto)	26,997	5,424
Auto BI liability	18,632,486	12,670,797
Auto PDL	7,773,953	5,179,778
Auto phys. dam.	2,725,644	1,830,870
Aircraft PHD	—1,626	361
Liability (not auto) PD	23,016	—2,973
Total	29,948,408	20,184,519

American Fidelity Fire—Assets, $12,950,634, incr., $308,400; loss res., $1,156,561; unearned prem., $7,667,479, underwriting loss, $65,246; investment gain, $293,094 net income, $225,229; capital, $550,000; surplus, $3,206,915, decr., $88,334.

	Premiums Earned $	Losses Incurred $
Inland marine	99,052	48,425
Auto BI liability	32,307	—30,322
Auto PDL	8,166	—8,667
Auto phys. dam.	6,138,325	3,498,650
Total	6,277,852	3,508,085

American Fire & Casualty—Assets, $10,044,874, incr., $449,790; loss res., $1,551,198; unearned prem., $3,072,205, underwriting gain, $25,030; investment gain, $247,604; net income, $202,732; capital, $1,000,000; surplus, $2,846,723, incr., $92,850.

	Premiums Earned $	Losses Incurred $
Fire	407,435	159,711
Extended coverage	292,710	50,266
Other allied lines	2,468	287
Homeowners mult. peril	26,909	13,763
Inland marine	34,249	15,588
Accident only (indiv.)	943	1,558
Workmen's comp.	339,763	195,492
Liability (not auto)	309,598	66,892
Auto BI liability	1,956,135	959,163
Auto PDL	1,005,223	567,370
Auto phys. dam.	647,675	310,885
Aircraft PHD	17,300	20,005
Liability (not auto) PD	83,911	38,479
Fidelity	30,008	—4,671
Surety	39,542	—564
Glass	29,640	11,123
Burglary, theft	51,170	22,877
Total	5,274,687	2,428,229

American General—Assets, $27,258,371, incr., $1,278,508; loss res., $3,760,519; unearned prem., $6,305,188; underwriting gain, $526,983; investment gain, $713,347; net income, $927,326; capital, $2,575,000; surplus, $15,855,399, incr., $794,023.

	Premiums Earned $	Losses Incurred $
Fire	638,594	300,926
Extended coverage	560,734	306,538
Other allied lines	3,966	27
Homeowners mult. peril	6,839	3,568
Ocean marine	290	—190
Inland marine	200,329	93,417
Accident only (indiv.)	75	
Hosp. & med. (indiv.)	8	
Group A&S	57,288	62,912
Workmen's comp.	2,514,708	1,653,092
Liability (not auto)	611,373	175,782
Auto BI liability	1,736,850	862,737
Auto PDL	908,424	470,751
Auto phys. dam.	1,533,940	735,820
Fidelity	28,569	18,553
Surety	342,318	—244
Glass	38,350	14,698
Burglary, theft	70,187	27,318
Boiler, machinery	43	
Total	9,252,885	4,725,705

American Independent Reinsurance—Assets, $2,651,815, incr., $466,402; loss res., $127,328; unearned prem., $665,490; underwriting loss, $47,319; investment gain, $50,465; net income, $3,146; capital, $350,000; surplus, $1,197,675, decr., $13,391.

	Premiums Earned $	Losses Incurred $
Fire	24,217	9,260
Extended coverage	9,205	2,743
Other allied lines	203	97
Homeowners mult. peril	13,355	7,35[illegible]
Inland marine	1,229	157
Liability (not auto)	328	4,782
Auto BI liability	75,133	69,586
Auto PDL	43,235	28,293
Auto phys. dam.	739,365	350,178
Liability (not auto) PD	39	3
Surety	2,739	631
Burglary, theft	123	—1
Total	909,179	473,086

American Manufacturers Mutual—Assets, $18,977,212, incr., $572,872; loss res., $1,835,540; unearned prem., $9,764,794; underwriting gain, $1,540,547; investment gain $513,406; net income, $1,858,673; guaranty fund, $500,000; surplus, $4,250,000.

	Premiums Earned $	Losses Incurred $
Fire	5,712,946	2,333,913
Extended coverage	1,840,996	682,369
Other allied lines	73,773	20,155
Homeowners mult. peril	1,635,744	773,130
Commercial mult. peril	27,787	25,115
Earthquake	23,512	86
Ocean marine	16,372	45,333
Inland marine	1,188,363	504,778
Auto phys. dam.	943,490	349,958
Aircraft PHD	22,836	12,298
Excess reinsurance	—204,496	—67,001
Total	11,281,325	4,680,137

American Surety—Assets, $80,208,153, incr., $3,150,578; loss res., $22,355,195; unearned prem., $29,338,658; underwriting loss, $5,261,747; investment gain, $2,333,529; net income, $—2,200,741; capital, $7,500,000; surplus, $20,571,407, decr., $3,972,061.

	Premiums Earned $	Losses Incurred $
Fire	659,910	387,044
Extended coverage	240,496	112,218
Other allied lines	4,572	978
Homeowners mult. peril	315,250	145,101
Commercial mult. peril	6,276	2,705
Earthquake	2,177	120
Ocean marine	180,549	147,502
Inland marine	1,006,775	582,412
Accident only (indiv.)	12,991	1,876
A&S (indiv.)	210	21
Group (A&S	54,928	31,662
Workmen's comp.	5,757,514	3,419,618
Liability (not auto)	4,778,215	2,078,524
Auto BI liability	9,392,949	6,254,608
Auto PDL	4,533,882	2,593,562
Auto phys. dam.	3,790,919	2,158,927
Liability (not auto) PD	1,188,948	564,332
Fidelity	3,895,333	1,102,840
Surety	5,038,899	2,730,212
Glass	464,330	201,844
Burglary, theft	1,233,537	479,410
Boiler, machinery	118	
Total	42,558,788	22,995,521

Automobile Club of Southern California—Assets, $43,282,490; incr., $10,080,610; loss res., $4,391,834; unearned prem., $18,482,303; underwriting gain, $3,849,483; investment gain $529,800; net income, $4,374,631; surplus, $14,773,490, decr., $1 710,628.

	Premiums Earned $	Losses Incurred $
Liability (not auto)	194,470	38,587
Auto BI liability	3,796,582	1,898,336
Auto PDL	6,860,578	3,188,781
Auto phys. dam.	15,911,917	9,180,169
Total	26,763,547	14,305,873

Badger State Mutual Casualty—Assets, $1,918,997, incr., $99,077; loss res., $592,493; un-

earned prem., $496,411; underwriting loss, $9,-899; investment gain, $47,873; net income, $25,-796; surplus, $717,271, incr., $35,059.

	Premiums Earned $	Losses Incurred $
Fire	717	31
Extended coverage	417	142
Homeowners mult. peril	377	10
Inland marine	196	....
Liability (not auto)	6,881	4,176
Auto BI liability	591,901	379,263
Auto PDL	260,013	117,459
Auto phys. dam.	341,461	169,465
Liability (not auto) PD	2	....
Total	1,201,968	670,549

Bankers & Shippers—Assets, $22,465,608, incr., $575,050; loss res., $1,456,475; unearned prem., $11,415,361; underwriting loss, $899,756; investment gain, $576,426; net income, $—325,-201; capital, $1,500,000; surplus, $9,039,786; decr., $1,538,289.

Fire	2,991,261	1,414,381
Extended coverage	1,312,580	578,005
Other allied lines	23,759	13,905
Homeowners mult. peril	454,869	190,140
Commercial mult. peril	2,224	3,626
Earthquake	13,399	97
Ocean marine	73,846	53,577
Inland marine	468,982	294,518
Accident only (indiv.)	1,285	167
Workmen's comp.	13,366	8,076
Liability (not auto)	55,337	34,955
Auto BI liability	425,244	272,067
Auto PDL	208,934	198,144
Auto phys. dam.	3,119,718	2,089,425
Aircraft PHD	64,691	49,011
Liability (not auto) PD	13,939	3,510
Surety	20,720	14,798
Glass	5,204	2,943
Burglary, theft	18,947	7,351
Total	9,288,313	5,228,510

Bituminous Casualty—Assets, $47,443,240, incr., $2,293,664; loss res., $22,932,953; unearned prem., $11,772,794; underwriting gain, $277,079; investment gain, $927,723; net income, $754,741; capital, $1,000,000; surplus, $10,290,539, incr., $169,864.

Accident only (indiv.)	26,377	4,795
Workmen's comp.	16,295,910	10,297,544
Liability (not auto)	1,835,917	339,152
Auto BI liability	1,996,552	1,466,461
Auto PDL	1,098,912	585,132
Auto phys. dam.	727,118	394,704
Liability (not auto) PD	848,980	279,165
Total	22,829,770	13,366,955

Bituminous F.&M.—Assets, $1,334,901, incr., $119,694; underwriting gain, $233,199; net investment gain, $29,453; net income, $194,816; capital, $500,000; surplus, $1,164,329, incr., $72,-701.

British America—Assets, $6,959,069, decr., $110,062; loss res., $874,885; unearned prem., $2,137,438; underwriting loss, $118,808; net investment gain, $233,959; net income, $125,510; statutory deposit, $500,000; surplus, $3,671,630, decr., $249,385.

Fire	912,853	461,142
Extended coverage	327,409	173,061
Other allied lines	6,569	2,391
Homeowners mult. peril	68,796	32,852
Commercial mult. peril	34,692	25,664
Earthquake	5,688	45
Hail (growing crops)	101,385	59,308
Ocean marine	260,245	187,189
Inland marine	260,530	164,772
Accident only (indiv.)	84	19
Group A&S	964	932
Workmen's comp.	54,092	32,462
Liability (not auto)	53,768	24,216
Auto BI liability	156,457	110,417
Auto PDL	73,154	50,235
Auto phys. dam.	199,942	120,654
Aircraft PHD	7,866	5,613
Liability (not auto) PD	7,862	3,424
Fidelity	2,241	1,394
Surety	4,454	816
Glass	5,304	2,508
Burglary, theft	11,700	5,623
Boiler, machinery	4	....
Total	2,556,068	1,464,749

British & Foreign Marine—Assets, $16,276,-092, decr., $39,719; loss res., $4,120,589; unearned prem., $5,307,465; underwriting loss, $413,215; investment gain, $453,030; net income, $93,955; statutory deposit, $500,000; surplus, $5,886,304, decr., $785,740.

Fire	1,639,587	866,358
Extended coverage	498,514	245,260
Other allied lines	17,469	5,829
Homeowners mult. peril	161,358	89,773
Commercial mult. peril	13,391	12,672
Earthquake	5,554	—8
Ocean marine	259,892	154,040
Inland marine	243,234	134,824
Accident only (indiv.)	29,652	12,036
A&S (indiv.)	4,536	1,402
Hosp. & med. (indiv.)	55,052	27,317
Group A&S	113,198	97,228
Workmen's comp.	781,055	446,637
Liability (not auto)	545,518	268,548
Auto BI liability	1,307,640	1,004,878
Auto PDL	577,610	325,801
Auto phys. dam.	562,756	323,597
Aircraft PHD	18,760	11,214
Liability (not auto) PD	117,130	41,455
Fidelity	65,208	42,715
Surety	69,154	31,099
Glass	48,263	21,603
Burglary, theft	119,208	55,110
Boiler, machinery	76,071	8,915
Total	7,329,821	4,228,313

British General—Assets, $3,642,482, decr., $190,638; loss res., $189,992; unearned prem., $1,042,686; underwriting loss, $109,759; investment gain, $144,416; net income, $34,623; surplus, $2,350,135, decr., $252,840.

Fire	486,929	274,007
Extended coverage	169,344	100,437
Other allied lines	2,949	1,702
Homeowners mult. peril	27,405	18,631
Commercial mult. peril	2,141	1,417
Earthquake	1,079	2
Inland marine	112,610	63,104

	Premiums Earned $	Losses Incurred $
Auto PDL	2,501	1,450
Auto phys. dam.	168,867	98,525
Glass	112	35
Burglary, theft	54	78
Boiler, machinery	5,191	6,608
Total	979,185	566,000

California—Assets, $9,648,630, decr., $271,302; loss res., $791,637; unearned prem., $4,344,526; underwriting loss, $422,623; investment gain, $348,907; net income, $—66,571; capital, $1,-000,000; surplus, $4,176,217, decr., $321,838.

Fire	2,093,534	1,184,967
Extended coverage	705,608	418,489
Other allied lines	12,284	7,095
Homeowners mult. peril	114,192	77,631
Commercial mult. peril	8,915	5,906
Earthquake	4,496	10

	Premiums Earned $	Losses Incurred $
Inland marine	469,201	262,936
Auto PDL	10,422	6,043
Auto phys. dam.	703,614	410,524
Glass	463	151
Burglary, theft	226	327
Boiler, machinery	21,629	27,534
Total	4,144,589	2,401,619

Columbia Casualty—Assets, $23,900,324, incr., $575,517; loss res., $8,844,807; unearned prem., $6,445,691; underwriting loss $1,502,767; investment gain, $712,191; net income, $—539,162; capital, $1,000,000; surplus, $6,491,917, decr., $1,451,407.

Accident only (indiv.)	161,493	73,393
A&S (indiv.)	240,091	117,910
Hosp. & med. (indiv.)	13,491	6,122
Group A&S	11,486	6,847

	Premiums Earned $	Losses Incurred $
Workmen's comp.	2,013,986	1,133,769
Liability (not auto)	1,273,330	632,474
Auto BI liability	2,965,860	2,118,148
Auto PDL	1,317,151	799,263
Auto phys. dam.	702	2,641
Aircraft PHD	14,220	9,292
Liability (not auto) PD	245,024	94,402
Fidelity	167,818	89,495
Surety	167,500	72,226
Glass	169,122	74,283
Burglary, theft	378,664	147,186
Boiler, machinery	1,135,820	449,637
Total	10,275,796	5,827,096

Commercial Union, England—Assets, $33,-011,656, decr., $1,199,974; loss res., $4,001,505; unearned prem., $14,691,179; underwriting loss, $1,133,944; investment gain, $1,028,113; net in-

come, $—99,698; surplus, $11,945,534, decr., $2,-455,167.

	Premiums Earned $	Losses Incurred $
Fire	6,494,495	3,653,422
Extended coverage	2,257,966	1,339,166
Other allied lines	39,325	22,706
Homeowners mult. peril	365,414	248,422
Commercial mult. peril	28,533	18,900
Earthquake	14,395	31
Ocean marine	1,378,044	846,492
Inland marine	1,940,704	840,650
Auto PDL	33,352	19,341
Auto phys. dam.	2,251,565	1,313,675
Aircraft PHD	324,897	173,541
Glass	1,484,	484
Burglary, theft	723	1,047
Boiler, machinery	69,215	88,110
Total	15,200,118	8,565,994

Commercial Union Fire—Assets, $7,641,793, decr., $317,170; loss res., $633,313; unearned prem., $3,475,620; underwriting loss, $633,037; investment gain, $230,176; net income, $—136,-173; capital, $1,000,000; surplus, $3,300,132, decr., $509,132.

	Premiums Earned $	Losses Incurred $
Fire	1,623,108	913,356
Extended coverage	564,490	334,792
Other allied lines	9,829	5,675
Homeowners mult. peril	91,351	62,105
Commercial mult. peril	7,133	4,725
Earthquake	3,599	8
Inland marine	375,357	210,349
Auto PDL	8,337	4,835
Auto phys. dam.	562,889	328,419
Glass	370	121
Burglary, theft	180	260
Boiler, machinery	17,303	22,027
Total	3,263,951	1,886,678

Consolidated, Ind.—Assets, $1,657,424, incr., $87,959; loss res., $41,624; unearned prem., $128,288; underwriting loss, $60,490; investment gain, $47,472; net income, $—13,172; capital, $750,000; surplus, $1,476,245; decr., $13,807.

	Premiums Earned $	Losses Incurred $
Fire	10,393	1,889
Extended coverage	6,517	2,997
Homeowners mult. peril	5,318	1,641
Inland marine	1,775	299
Workmen's comp.	5,976	3,657
Liability (not auto)	5,549	2,746
Auto BI liability	18,382	13,452
Auto PDL	16,364	9,820
Auto phys. dam.	64,609	36,349
Liability (not auto) PD	1,428	950
Glass	377	75
Burglary, theft	1,568	1,083
Auto medical	3,676	1,944
Auto death & disab.	11	....
Auto family prot.	576	....
Total	142,507	76,098

Consolidated Mutual—Assets, $20,488,234, incr., $3,361,352; loss res., $8,629,838; unearned prem., $6,151,004; underwriting gain, $271,592; investment gain, $451,485; net income, $567,233; special contingent surplus, $850,000; surplus, $4,028,422, incr., $397,307.

Group A&S	103,435	49,697
Non-can A&S	107,569	83,161
Workmen's comp.	2,607,109	1,570,190
Liability (not auto)	7,399,182	3,472,255
Auto BI liability	56,460	29,545
Auto PDL	13,137	10,702
Auto phys. dam.	6,292	812
Liability (not auto) PD	269,573	62,872
Glass	38,793	23,685
Burglary, theft	4,723	649
Excess of loss reins.	14,805	14,988
Total	10,621,081	5,318,561

Cosmopolitan Mutual—Assets, $26,288,977, incr., $2,809,758; loss res., $10,064,271; unearned prem., $6,528,780; underwriting gain, $1,364,-353; investment gain, $500,036; net income, $1,-676,519; special contingent surplus, $500,000; surplus, $6,495,763, incr., $427,513.

Fire	264,320	155,997
Extended coverage	75,168	15,300
Other allied lines	1,274	744
Homeowners mult. peril	24,542	12,435
Inland marine	20,373	6,445
Group A&S, N. Y. DBL.	1,612,461	1,265,049
Workmen's comp. N.Y.	5,633,321	2,604,810
Liability (not auto)	3,073,137	1,509,828
Auto BI liability	2,537,437	1,340,923
Auto PDL	729,684	359,445
Auto phys. dam.	229,065	162,868
Liability (not auto) PD	162,087	56,699
Glass	258,209	133,700
Burglary, theft	59,088	56,895
Work. Comp Oth. States	587,794	340,851
Total	15,267,967	8,021,996

Country Mutual—Assets, $56,695,385, incr., $5,745,854; loss res., $8,600,304; unearned prem., $19,430,516; underwriting gain, $7,840,322; investment gain, $1,242,958; net income, $8,827,-008; surplus, $21,895,452, incr., $3,518,758.

Fire	3,595,356	1,292,186
Extended coverage	1,747,347	1,167,673
Other allied lines	172,181	95,329
Hail (growing crops)	4,504,462	659,602
Inland marine	71,190	9,042
AFC-AP and others	33,106	12,536
Liability (not auto)	1,336,974	827,008
Auto BI liability	3,362,595	2,096,152
Auto PDL	2,461,971	1,530,905
Auto phys. dam.	9,864,511	4,730,158
Surety	8,199	....
Auto medical payments	869,245	950,401
Livestock	4,499	832
Total	28,031,636	13,371,824

Donegal Mutual—Assets, $2,483,995, incr., $233,172; loss res., $368,978; unearned prem., $1,074,668; underwriting gain, $145,033; investment gain, $44,940; net income, $177,188; guaranty fund, $100,000; surplus, $922,741, incr., $137,349.

Fire	573,515	136,267
Extended coverage	201,866	23,131
Other allied lines	1,063	—175
Homeowners mult. peril	65,042	14,510
Commercial mult. peril	325	....
Liability (not auto)	8,464	4,630
Auto BI liability	246,744	158,826
Auto PDL	181,579	135,802
Auto phys. dam.	222,927	128,461
Liability (not auto) PD	1,956	162
Burglary, theft	229	104
Reins. (fire dept.)	—80,430	601,723
Total	1,423,286	1,203,441

Employers Casualty, Dallas—Assets, $28,743,-932, incr., $1,966,621; loss res., $7,349,120; unearned prem., $11,673,188; underwriting gain, $107,156; investment gain, $939,921; net income, $1,415,693; capital, $1,500,000; surplus, $6,346,-128, decr., $482,674.

Fire	938,909	338,371
Extended coverage	577,750	355,979
Other allied lines	3,467	282
Homeowners mult. peril	65,132	49,947
Earthquake	2,290	....
Inland marine	287,694	188,570
Personal property floater	70,393	49,466
Accident only (indiv.)	31,705	8,273
A&S (indiv.)	16,255	2,762
Hosp. & med. (indiv.)	517,657	311,670
Group A&S	964,028	793,162
Workmen's comp.	2,500,239	1,711,309
Liability (not auto)	2,398,578	569,840
Auto BI liability	4,903,684	3,192,377
Auto PDL	2,490,647	1,626,766
Auto phys. dam.	3,395,709	1,996,393
Liability (not auto) PD	945,560	269,201
Misc. Bonds	15,968	—12,690
Glass	90,584	50,821
Burglary, theft	159,994	79,063
Title and guaranty	2,895	10,474
All other	107,040	99,472
Total	20,486,188	11,691,515

Employers National, Dallas—Assets, $3,202,-838, incr., $332,051; loss res., $130,004; unearned prem., $1,205,929; underwriting loss, $7,042; investment gain, $83,103; net income, $72,750; capital, $1,000,000; surplus, $1,691,335, decr., $56,806.

Fire	187,095	51,457
Extended coverage	177,594	114,259
Other allied lines	1,463	351
Homeowners mult. peril	1,245	305
Inland marine	121,211	84,048
Personal property floater	31,376	31,195
Workmen's comp.	113,636	48,141
Liability (not auto)	1	....
Auto BI liability	4,202	1,162
Auto PDL	1,460	1,785
Auto phys. dam.	5,425	3,366
Glass	7,400	4,761
Total	652,113	340,834

Factory Mutual Liability—Assets, $44,860,-283, decr., $1,577,174; loss res., $9,871,707; unearned prem., $6,496,016; underwriting gain, $3,145,084; investment gain, $1,270,296; net income, $4,178,909; guaranty fund, $2,000,000; surplus, $20,234,064, decr., $4,921,354.

	Premiums Earned $	Losses Incurred $
Liability (not auto)	178,870	26,111
Auto BI liability	9,898,328	4,931,752
Auto PDL	3,777,055	1,644,391
Auto Collision	3,441,273	1,184,765
Burglary, theft	151,548	30,277
Total	17,447,076	7,817,298

Farm Bureau Mutual, Kan.—Assets, $10,154,-693, incr., $1,036,499; loss res., $3,092,974; unearned prem., $2,996,232; underwriting gain, $685,620; investment gain, $194,141; net income, $840,469; surplus, $3,213,655, incr., $613,679.

Fire	378,806	205,110
Extended coverage	306,549	209,130
Other allied lines	2,366	4,251
Liability (not auto)	482,568	226,585
Auto BI liability	1,790,603	1,283,278
Auto PDL	828,071	489,153
Auto phys. dam.	3,565,782	2,325,548
Auto medical	639,261	226,572
4-H and F.F.A.	4,457	3,070
Total	7,998,463	4,972,587

Farmers Alliance Mutual—Assets, $6,764,757, incr., $215,755; loss res., $203,996; unearned prem., $3,185,245; underwriting gain, $120,637; investment gain, $158,959; net income, $248,494; surplus, $3,135,287, incr., $163,222.

Fire	1,558,662	633,293
Extended coverage	1,241,957	623,356
Other allied lines	20,378	10,870
Homeowners mult. peril	58,029	19,472
Commercial mult. peril	539	404
Earthquake	1,673	22
Inland marine	70,600	35,413
Liability (not auto)	4,229	1,157
Auto BI liability	11,942	9,439
Auto PDL	3.496	2,369
Auto phys. dam.	25,965	10,990
Liability (not auto) PD	5	4
Glass	695	—355
Burglary, theft	12,273	4,332
Excess catastrophe	62,710	39,251
Total	3,073,148	1,390,025

Farmers Exchange—Assets, $103,661,269; incr., $4,485,190; loss res., $27,885,117; unearned prem., $26,492,236; underwriting loss, $6,779,721; investment gain, $2,592,742; net income, $—4,-333,027; surplus, $38,789,478, decr., $5,862,381.

Accident only (indiv.)	52,612	12,454
Liability (not auto)	950,232	252,246
Auto BI liability	36,515,786	26,706,698
Auto PDL	19,088,462	11,867,051
Auto phys. dam.	36,665,797	20,206,070
Liability (not auto) PD	234,361	70,581
Total	93,507,250	59,115,100

Founders, Los Angeles—Assets, $9,061,438, decr., $1,043,595; loss res., $2.664,957; unearned prem., $3,451,104; underwriting loss, $1,101,356; investment gain, $209,705; net income, $—904,-639; capital, $1,030,000; surplus, $1,819,657, decr., $937,064.

Fire	864,933	450,357
Extended coverage	291,979	178,633
Other allied lines	8,135	1,681
Homeowners mult. peril	918,167	584.220
Commercial mult. peril	250,440	148,960
Earthquake	10,286	282
Hail (growing crops)	23,742	25,822
Ocean marine	370,846	287,888
Inland marine	463,600	284,635
Miscellaneous lines	73,400	48,116
Accident only (indiv.)	26,266	47,858
Group A&S	2,884,778	2,360,526
Liability (not auto)	331,915	125,627
Auto BI liability	1,124,921	864,006
Auto PDL	488,667	305,487
Auto phys. dam.	1,037.818	632,476
Liability (not auto) PD	76,981	43,338
Fidelity	21,224	11,180
Surety	138,180	—29,294
Glass	45,662	27,509
Burglary, theft	102,534	55,600
Excess of loss	19,256	....
Total	9,573,701	6,454,919

Globe Indemnity—Assets, $79,381,183, decr., $171,535; loss res., $19,363,626; unearned prem., $24,934,803; underwriting loss, $1,937,987; investment gain, $2,101,392; net income, $439,999; capital, $2,500,000; surplus, $30,577,698, decr. $3,175,302.

Fire	7,701,092	4,069,260
Extended coverage	2,341,508	1,151,978
Other allied lines	82,053	27,377
Homeowners mult. peril	757,895	421,662
Commercial mult. peril	62,898	59,519
Earthquake	26,087	—42
Ocean marine	1,241,175	736,794
Inland marine	1,145,339	633,303
Accident only (indiv.)	139,277	56,533
A&S (indiv.)	21,309	6,584
Hosp. & med. (indiv.)	258,578	128,312
Group A&S	531,689	456,680
Workmen's comp.	3,668,593	2,097,844
Liability (not auto)	2,562,284	1,261,369
Auto BI liability	6,141,946	4,719,888
Auto PDL	2,713,018	1,530,279
Auto phys. dam.	2,643,248	1,519,935
Aircraft PHD	88,116	52,672
Liability (not auto) PD	550,160	194,714
Fidelity	306,284	200,630
Surety	324,181	146,069
Glass	226,693	101,472
Burglary, theft	559,916	258,849
Boiler, machinery	357,307	41,872
Total	34,451,295	19,873,564

Hawkeye-Security—Assets, $10,232,564, incr., $420,054; loss res., $2,539,373; unearned prem., $3,766,038; underwriting loss, $318,957; investment gain, $181,329; net income, $5,381; capital, $1,390,055; surplus, $3,002,688, incr., $402,-347.

	Premiums Earned $	Losses Incurred $
Fire	472.222	244,490
Extended coverage	316,900	151,086
Other allied lines	1,605	552
Homeowners mult. peril	40,539	25,991
Commercial mult. peril	36	802
Inland marine	63,719	30,084
Accident only (indiv.)	722	....
Workmen's comp.	1,444,074	909,888
Liability (not auto) BI	767,655	250,375
Auto BI liability	1,396,496	757,938
Auto PDL	896,916	463,833
Auto phys. dam.	1,439,816	828,577
Fidelity	86,444	35,396
Surety	191,040	37,503
Glass	58,174	25,039
Burglary, theft	94,932	36,589
Liability (not auto) PD	209,898	59,132
Total	7,481,188	3,857,275

Illinois Fire—Assets, $4,352,482, incr., $67,305; loss res., $348,466; unearned prem., $2,049,094; underwriting loss, $70,279; investment gain, $93,110; net income, $74,566; capital, $800,000; surplus, $1,795,347, incr., $44,881.

Fire	1,180,469	627,641
Extended coverage	383,244	174,118
Other allied lines	44,258	15,652
Homeowners mult. peril	65,645	30,809
Earthquake	1,424	8
Ocean marine	77,123	58,082
Inland marine	269,242	150,004
Liability (not auto)	5,343	2,186
Auto BI liability	443	....
Auto PDL	356	38
Auto phys. dam.	67,399	33,243
Liability (not auto) PD	38	....
Glass	250	77
Burglary, theft	2,269	576
Total	2,097,507	1,092,440

Indiana—Assets, $11,628,425, incr., $494,875; loss res., $2,266,726; unearned prem., $5,128,369; underwriting loss, $196,470; investment gain, $216,761; net income, $21,818; capital, $300,000; surplus, $3,501,872; decr., $175,842.

Fire	932,100	496,846
Extended coverage	669,195	353,144
Other allied lines	1,270	558
Homeowners mult. peril	340,767	118,689
Inland marine	91,179	39,362
Workmen's comp.	213,581	99,676
Liability (not auto)	238,059	62,562
Auto BI liability	1,948,638	1,023,963
Auto PDL	1,779,919	1,142,846
Auto phys. dam.	2,654,733	1,513,442
Liability (not auto) PD	77,416	23,546
Bonds	1,440	....
Glass	59,726	32,728
Burglary, theft	78,839	45,522
Auto med.	420,539	210,814
Auto D & D	1,560	2,275
Auto family prot.	22,319	110
Total	9,531,288	5,166,091

International, N. Y.—Assets, $10,090,273, decr., $771,402; loss res., $478,726; unearned prem., $1,197,464; underwriting loss, $176,903; investment gain, $382,171; net income, $262,-429; capital, $1,000,000; surplus, $8,358,593, decr., $627,277.

Fire	1,203,547	991,736
Extended coverage	193,606	104,473
Other allied lines	9.333	5,627
Homeowners mult. peril	13,377	4,294
Earthquake	4,501	5
Auto phys. dam.	57,907	31,030
Glass	62	41
Burglary, theft	21	....
Total	1,482,357	1,137,208

Iowa National Mutual—Assets, $23,528,680, incr., $1,267.323; loss res., $7,945,145; unearned prem., $8,973,603; underwriting loss, $236.973; investment gain, $442,330; net income, $3,174; surplus, $4,142,294, decr., $955,149.

Fire	76,047	37,998
Extended coverage	64,574	25,864
Other allied lines	154	....
Homeowners mult. peril	32,926	18,035
Earthquake	59	....
Hail (growing crops)	6,816	8,104
Inland marine	8,435	2,760
Workmen's comp.	4,687,707	2,346,037
Liability (not auto)	1,286,059	309,157
Auto BI liability	5,245,618	3,220,244
Auto PDL	3,085,483	1,789,170
Auto phys. dam.	3,847,619	2,131,914
Glass	17,566	6,488
Burglary, theft	94,637	40,776
Med. payments	799,032	492,499
Total	19,252,732	10,429,046

Jersey—Assets, $14,508,813, incr., $372,478; loss res., $930,525; unearned prem., $7,293,148; underwriting loss, $575,838; investment gain, $372,737; net income, $—204,753; capital, $1,-500,000; surplus, $5,931,205, decr., $972,273.

Fire	1,911,083	903,633
Extended coverage	838,592	369,281
Other allied lines	15,179	8,881
Homeowners mult. peril	290,611	121,479
Commercial mult. peril	1,421	2,316
Earthquake	8,560	62
Ocean marine	47,179	34,293
Inland marine	299,627	188,163
Accident only (indiv.)	821	106
Workmen's comp.	8,539	5,159
Liability (not auto)	35,354	22,332
Auto BI liability	271,683	173,822
Auto PDL	133,486	126,593
Auto phys. dam.	1,993,153	1,334,908
Aircraft PHD	41,330	31,312
Liability (not auto) PD	8,905	2,243
Surety	13,238	9,455
Glass	3,324	1,880
Burglary, theft	12,105	4,696
Total	5,934,200	3,340,499

Kansas City F.&M.—Assets, $9,494,856, decr., $710,099; loss res., $962,879; unearned prem., $3,953,801; underwriting gain, $7,501; investment gain, $172,841; net income, $181,666; capital, $1,000,000; surplus, $3,453,285, decr., $165,-067.

Fire	1,139,381	558,911
Extended coverage	741,733	408,623
Other allied lines	4,683	1,932
Homeowners mult. peril	50,749	14,740
Commercial mult. peril	2,292	1,850
Earthquake	4,013	27
Hail (growing crops)	51,094	39,176
Inland marine	259,334	139,028
Aircraft accident	63	250
Accident only (indiv.)	77	....
Liability (not auto)	71,394	17,039
Auto BI liability	407,549	214,063

	Premiums Earned $	Losses Incurred $
Auto PDL	210,105	103,224
Auto phys. dam.	2,741,595	1,944,609
Aircraft PHD	3,660	4,282
Liability (not auto) PD	6,341	1,406
Glass	12,247	4,532
Burglary, theft	24,737	8,887
Total	5,733,058	3,462,587

Liverpool & London & Globe—Assets, $56,387,454, incr., $258,868; loss res., $14,234,764; unearned prem., $18,338,883; underwriting loss, $1,427,514; investment gain, $1,552,448; net income, $426,907; statutory deposit, $500,000; surplus, $20,321,613, decr., $2,001,267.

Fire	5,664,029	2,992,876
Extended coverage	1,722,141	847,262
Other allied lines	60,349	20,135
Homeowners mult. peril	557,419	310,126
Commercial mult. peril	46,260	43,776
Earthquake	19,187	—31
Ocean marine	897,809	532,138
Inland marine	840,264	465,756
Accident only (indiv.)	102,436	41,579
A&S (indiv.)	15,672	4,842
Hosp. & med. (indiv.)	190,180	94,370
Group A&S	391,049	335,881
Workmen's comp.	2,698,191	1,542,929
Liability (not auto)	1,884,518	927,717
Auto BI liability	4,517,302	3,471,404
Auto PDL	1,995,381	1,125,496
Auto phys. dam.	1,944,066	1,117,887
Aircraft PHD	64,808	38,741
Liability (not auto) PD	404,633	143,208
Fidelity	225,267	147,559
Surety	238,898	107,432
Glass	166,729	74,631
Burglary, theft	411,809	190,379
Boiler, machinery	262,793	30,796
Perpetual risks	—36	....
Total	35,388,265	14,606,901

Lumbermen's Underwriting Alliance—Assets, $21,402,526, incr., $91,171; loss res., $495,799; unearned prem., $4,935,287; underwriting gain, $2,204,210; investment gain, $254,687; net income, $2,458,811; surplus, $15,673,975, incr., $563,953.

Fire	5,636,598	2,060,536
Extended coverage	448,351	255,828
Total	6,084,950	2,316,364

Lynn Mutual Fire—Assets, $2,602,667, incr., $63,145; loss res., $128,007; unearned prem., $1,189,855; underwriting gain, $149,590; investment gain, $42,627; net income, $192,422; surplus, $1,206,107, decr., $78,919.

Fire	476,000	217,496
Extended coverage	202,822	67,835
Other allied lines	326	187
Homeowners mult. peril	66,376	20,533
Commercial mult. peril	641	101
Earthquake	177	....
Inland marine	205	48
Liability (not auto)	2,110	300
Auto phys. dam.	561,796	257,990
Glass	12	5
Burglary, theft	2,839	889
Catastrophe-Fire	—34,554	—8,237
Catastrophe-Auto	—2,921	....
Total	1,275,834	557,653

Maryland Casualty—Assets, $207,965,949, incr., $3,733,104; loss res., $68,091,751; unearned prem., $67,320,024; underwriting loss, $8,545,062; investment gain, $5,258,722; net income, $—2,276,035; capital, $2,072,936; surplus, $55,719,285, decr., $10,605,979.

Fire	3,773,954	2,265,721
Extended coverage	1,607,717	659,208
Other allied lines	86,817	11,177
Homeowners mult. peril	926,741	661,464
Commercial mult. peril	14,489	4,638
Earthquake	8,303	—28
Ocean marine	325	....
Inland marine	999,096	769,836
Accident	1,632,578	646,100
Health	281,592	118,730
Hosp. & med. (indiv.)	310,690	141,112
Group A&S	1,200,740	747,790
Workmen's comp.	23,400,790	16,010,530
Liability (not auto)	11,267,110	5,508,863
Auto BI liability	25,906,257	19,314,758
Auto PDL	12,627,046	7,357,106
Auto phys. dam.	10,165,247	5,880,174
Aircraft PHD	202,336	147,822
Liability (not auto) PD	3,440,899	1,352,971
Fidelity	3,549,713	1,568,637
Surety	6,394,547	2,140,603
Glass	1,146,771	502,389
Burglary, theft	3,174,988	1,410,952
Boiler, machinery	2,659,124	747,650
Total	114,777,870	67,968,203

Michigan Mutual Liability—Assets, $63,258,311, incr., $1,420,440; loss res., $32,492,551; unearned prem., $14,093,260; underwriting gain, $2,876,198; investment gain, $1,221,617; net income, $3,659,345; guaranty fund, $1,000,000; surplus, $11,018,307; decr., $1,466,306.

Fire	427,670	194,778
Extended coverage	201,402	113,357
Other allied lines	—320	—71
Homeowners mult. peril	131,815	62,121
Commercial mult. peril	561	3
Earthquake	14	59
Inland marine	1,201	—512
Accident only (indiv.)	108,503	69,479
Group A&S	86,044	80,361
Workmen's comp.	20,628,968	12,840,868
Liability (not auto)	3,373,871	1,254,458
Auto BI liability	7,563,890	5,584,787
Auto PDL	4,776,995	2,793,462
Auto phys. dam.	5,203,540	2,701,401
Liability (not auto) PD	1,181,924	511,939
Glass	22,777	11,984
Burglary, theft	24,213	6,221
Excess of loss	203,420	198,109
Total	43,936,497	26,422,809

Middlesex Mutual Fire—Assets, $11,213,810, incr., $234,828; loss res., $502,056; unearned prem., $4,697,227; underwriting gain, $586,147; investment gain, $225,260; net income, $803,040; surplus, $5,707,410, decr., $338,452.

Fire	1,904,003	869,985
Extended coverage	811,290	271,342
Other allied lines	1,305	750
Homeowners mult. peril	265,506	82,134
Commercial mult. peril	2,566	407
Earthquake	709	....
Inland marine	823	194
Liability (not auto)	8,442	3,203
Auto phys. dam.	2,134,825	980,365
Glass	48	20
Burglary, theft	11,356	3,559
Catastrophe-Fire	—138,216	—32,948
Catastrophe-Auto	—11,100	....
Total	4,991,561	2,179,015

Millers Mutual Fire, Tex.—Assets, $13,741,619; decr., $123,962; loss res., $1,501,576; unearned prem., $6,870,013; underwriting gain, $196,754; investment gain, $345,150; net income, $453,439; surplus, $4,464,320, incr., $7,157.

Fire	2,698,813	959,436
Extended coverage	1,327,699	1,025,106
Other allied lines	59,614	19,928
Homeowners mult. peril	72,261	42,886
Commercial mult. peril	4,346	2,186
Earthquake	4,572	22
Inland marine	177,927	100,965
Liability (not auto)	129,857	32,966
Auto BI liability	1,573,916	1,074,274
Auto PDL	867,204	497,146
Auto phys. dam.	1,442,215	745,475
Liability (not auto) PD	16,192	4,423
Glass	28,049	12,179
Burglary, theft	27,874	6,873
Excess coverage	—39,833	—48,656
Total	8,390,713	4,475,214

Millers National—Assets, $10,415,267, incr., $24,229; loss res., $894,373; unearned prem., $5,269,099; underwriting gain, $141,474; investment gain, $150,773; net income, $240,914; Permanent fund, $1,000,000; surplus, $3,843,182, decr., $93,679.

Fire	3,316,268	1,613,934
Extended coverage	994,740	447,734

	Premiums Earned $	Losses Incurred $
Other allied lines	142,919	40,945
Homeowners mult. peril	169,801	79,225
Earthquake	3,671	22
Ocean marine	198,316	149,354
Inland marine	693,805	385,029
Liability (not auto)	13,741	5,621
Auto BI liability	1,139	....
Auto PDL	916	99
Auto phys. dam.	173,461	85,484
Liability (not auto) PD	99	....
Glass	643	199
Burglary, theft	5,837	1,482
Total	5,715,361	2,809,133

Monarch—Assets, $24,056,530, incr., $117,626; loss res., $2,641,161; unearned prem., $11,934,845; underwriting loss, $1,859,519; investment gain, $822,624; net income, $—1,036,468; capital, $1,613,912; surplus, $8,263,321, decr., $1,349,888.

	Premiums Earned $	Losses Incurred $
Fire	5,559,700	3,143,785
Extended coverage	2,142,763	939,223
Other allied lines	29,962	7,673
Homeowners mult. peril	426,138	234,740
Commercial mult. peril	8,145	3,900
Earthquake	33,883	465
Hail (growing crops)	14,650	23,834
Inland marine	874,364	627,022
Prop. ins. not otherwise classified	49,571	43,316
Workmen's comp.	1,670	2,174
Liability (not auto)	66,795	33,687
Auto BI liability	279,865	366,539
Auto PDL	107,949	135,121
Auto phys. dam.	1,681,434	1 105,858
Liability (not auto) PD	3,212	2,369
Glass	12,577	5,306
Burglary, theft	22,552	16,262
Total	11,315,237	6,691,284

Mutual Boiler—Assets, $16,228,792, incr., $416,905; loss res., $1,430,992; unearned prem., $6,050,939; underwriting gain, $6,944,721; investment gain, $382,394; net income, $7,235,417; guaranty fund, $250,000; surplus, $6,368,968, decr., $349,858.

	Premiums Earned $	Losses Incurred $
Boiler, machinery	13,563,803	2,554,833
Excess of loss reins.	999,056	607,273
Total	14,562,860	3,162,112

Mutual Service Casualty—Assets, $16,228,583, incr., $1,382,947; loss res., $5,488,270; unearned prem., $4,600,111; underwriting loss, $266,467; investment gain, $501,401; net income, $103,813; guaranty fund, $750,000; surplus, $4,268,923, incr., $127,851.

	Premiums Earned $	Losses Incurred $
Fire	575,888	379,224
Extended coverage	374,491	136,764
Other allied lines	102	283
Homeowners mult. peril	82,177	64,320
Inland marine	13,560	2,841
A&S (indiv.)	9,152	4,861
Workmen's comp.	719,562	306,634
Liability (not auto)	318,162	147,652
Auto BI liability	4,677,029	2,828,223
Auto PDL	1,694,972	1,328,993
Auto phys. dam.	2,723,191	1,606,319
Liability (not auto) PD	118,542	44,661
Excess loss	—134,694	—109,434
Total	11,172,140	6,741,347

Nationwide Mutual—Assets, $164,685,415, incr., $5,810,659; loss res., $63,830,510; unearned prem., $33,526,958; underwriting gain, $3,174,163; investment gain, $3,855,383; net income, $5,737,639; surplus, $44,652,154, incr., $2,824,201.

	Premiums Earned $	Losses Incurred $
Accident only (indiv.)	206,067	57,885
A&S (indiv.)	899,279	444,635
Hosp. & med. (indiv.)	2,119,960	482,328
Group A&S	5,730,162	5,332,452
Non-can A&S	17,923	1,931
Workmen's comp.	3,292,010	1,436,364
Liability (not auto)	2,315,145*	805,841
Auto BI liability	53,400,008*	29,286,571
Auto PDL	26,591,125*	15,994,511
Auto phys. dam.	30,310,655*	14,909,081
Liab. other than auto (PD)	578,717	291,613
Fidelity	5,262	4,757
Burglary, theft	292,084	151,477
Excess of loss	176,017	117,852
Total	126,434,414*	69,317,402

*Includes membership fees.

Newark—Assets, $32,981,087, decr., $71,738; loss res., $8,370,084; unearned prem., $10,778,270; underwriting loss, $837,715; investment gain, $885,974; net income, $165,861; capital, $2,000,000; surplus, $111,745,512, decr., $1,291,008.

	Premiums Earned $	Losses Incurred $
Fire	3,328,859	1,758,972
Extended coverage	1,012,136	497
Other allied lines	35,468	11,833
Homeowners mult. peril	327,606	182,267
Commercial mult. peril	27,188	25,727
Earthquake	11,276	—19
Ocean Marine	536,507	318,485
Inland marine	495,082	273,751
Accident only (indiv.)	60,203	24,436
A&S (indiv.)	9,211	2,846
Hosp. & med. (indiv.)	111,772	55,463
Group A&S	229,827	197,403
Workmen's comp.	1,585,779	906,810
Liability (not auto)	1,107,568	545,236
Auto BI liability	3,654,905	2,040,203
Auto PDL	1,172,724	661,475
Auto phys. dam.	1,142,565	657,003
Aircraft PHD	38,089	22,769
Liability (not auto) PD	237,811	84,167
Fidelity	132,393	86,724
Surety	140,405	63,1[illegible]
Glass	97,990	43,862
Burglary, theft	242,028	111,889
Boiler, machinery	154,449	18,100
Total	14,891,850	8,590,510

New York Underwriters—Assets, $20,832,397, decr., $152,072; loss res., $1,185,926; unearned prem., $5,991,528; underwriting loss, $165,154; investment gain, $432,454; net income, $250,283; capital, $2,000,000; surplus, $11,368,845, decr., $1,014,608.

	Premiums Earned $	Losses Incurred $
Fire	2,948,613	1,471,262
Extended coverage	999,033	554,260
Other allied lines	46,006	20,844
Homeowners mult. peril	150,468	94,743
Commercial mult. peril	6,500	3,861
Earthquake	6,782	38
Hail (growing crops)	135,987	76,079
Ocean marine	217,111	141,081
Inland marine	659,976	342,901
Auto phys. dam.	1,475,820	833,739
Aircraft PHD	15,053	11,157
Live stock	8,802	2,788
Total	6,670,157	3,552,758

North River—Assets, $69,056,294, decr., $1,770,027; loss res., $7,770,276; unearned prem., $20,881,728; underwriting loss, $1,086,345; investment gain, $2,138,904; net income, $1,291,979; capital, $2,000,000; surplus, $37,869,532, decr., $3,156,632.

	Premiums Earned $	Losses Incurred $
Fire	9,323,854	4,690,699
Extended coverage	3,273,538	1,729,601
Other allied lines	65,462	23,263
Homeowners mult. peril	671,228	326,901
Commercial mult. peril	329,141	226,787
Earthquake	56,884	461
Hail (growing crops)	1,024,147	593,269
Ocean marine	1,841,962	1,325,731
Inland marine	2,032,594	1,283,408
Accident only (indiv.)	842	204
Group A&S	9,640	9,321
Workmen's comp.	54[illegible],925	324,525
Liability (not auto)	537,470	241,935
Auto BI liability	1,564,569	1,104,174
Auto PDL	731,544	504,731
Auto phys. dam.	1,976,706	1,194,573
Aircraft PHD	78,661	56,137
Liability (not auto) PD	78,622	34,130
Fidelity	22,410	13,897
Surety	44,547	8,167
Glass	53,040	25,053
Burglary, theft	116,862	55,948
Boiler, machinery	40	....
Total	24,374,701	13,772,925

Northwestern National—Assets, $54,113,996, incr., $55,421; loss res., $2,615,962; unearned prem., $19,761,221; underwriting loss, $754,351; investment gain, $1,532,948; net income, $775,267; capital, $3,200,000; surplus, $30,664,723, decr., $1,834,194.

	Premiums Earned $	Losses Incurred $
Fire	6,761,658	3,042,390
Extended coverage	3,767,761	1,450,314
Other allied lines	4,590	2,395
Homeowners mult. peril	750,989	415,210
Commercial mult. peril	14,589	5,095
Earthquake	7,915	....
Ocean marine	460,903	343,506
Inland marine	611,046	271,903
Liability (not auto)	34,678	4,142
Auto phys. dam.	3,574,433	1,934,513
Glass	8,154	2,052
Burglary, theft	28,795	4,239
Total	16,025,511	7,475,759

Northwestern National Casualty—Assets, $16,084,899, incr., $180,134; loss res., $4,952,806; unearned prem., $4,571,855; underwriting loss, $331,639; investment gain, $396,229; net income, $201,372; capital, $1,000,000; surplus, $5,683,782, decr., $97,713.

	Premiums Earned $	Losses Incurred $
Liability (not auto)	654,765	182,218
Auto BI liability	4,896,634	2,896,066
Auto PDL	2,363,180	1,268,494
Auto phys. dam.	65,825	25,249
Liability (not auto) PD	42,885	17,634
Glass	112,698	51,183
Burglary, theft	149,455	59,136
Total	8,285,442	4,999,980

Ocean Accident—Assets, $42,684,344, incr., $493,585; loss res., $16,426,061; unearned prem., $11,970,569; underwriting loss, $2,763,538; investment gain, $1,348,428; net income, $—1,287,126; surplus, $10,022,334, decr., $3,347,045.

	Premiums Earned $	Losses Incurred $
Accident only (indiv.)	299,913	136,301
A&S (indiv.)	445,882	218,976
Hosp. & med. (indiv.)	25,054	11,371
Group A&S	21,332	12,719
Workmen's comp.	3,740,262	2,105,571
Liability (not auto)	2,364,754	1,174,593
Auto BI liability	5,508,029	3,933,705
Auto PDL	2,446,137	1,484,345
Auto phys. dam.	1,306	4,906
Aircraft PHD	26,410	17,254
Liability (not auto) PD	455,047	175,317
Fidelity	311,663	166,206
Surety	311,126	134,131
Glass	314,084	137,953
Burglary, theft	703,237	273,347
Boiler, machinery	2,109,379	835,040
Total	19,083,620	10,821,742

Pacific Indemnity—Assets, $56,404,994, incr., $2,336,553; loss res., $20,237,489; unearned prem., $15,453,919; underwriting loss, $2,802,504; investment gain $1,352,993; net income, $—1,449,511; capital, $2,400,000; surplus, $15,184,361, decr., $3,049,140.

	Premiums Earned $	Losses Incurred $
Fire	904,504	500,697
Extended coverage	335,415	160,618
Other allied lines	[illegible]	[illegible]
Homeowners mult. peril	91,644	29,675
Commercial mult. peril	22,776	6,171
Earthquake	21,062	1,154
Inland marine	[illegible]	231,109
Accident only (indiv.)	3,926	1,228
Workmen's comp.	6,626,933	4,200,410
Liability (not auto)	3,864,115	1,521,842
Auto BI liability	7,645,697	5,375,903
Auto PDL	3,798,690	2,462,077
Auto phys. dam.	5,139,664	3,587,458
Liability (not auto) PD	1,061,106	419,803
Fidelity	212,302	68,039
Surety	672,352	59,677
Glass	156,189	91,346
Burglary, theft	273,734	106,517
Boiler, machinery	561,786	220,051
Total	31,697,221	19,044,223

Pacific, N.Y.—Assets, $28,357,107, incr., $258,620; loss res., $1,752,686; unearned prem., $13,000,830; underwriting loss, $1,024,844; invest-

ment gain, $759,228; net income, $—269,292; capital, $2,000,000; surplus, $12,832,359; decr., $2,204,818.

	Premiums Earned $	Losses Incurred $
Fire	3,406,714	1,610,824
Extended coverage	1,494,882	658,285
Other allied lines	27,058	15,834
Homeowners mult. peril	518,045	216,548
Commercial mult. peril	2,533	4,129
Earthquake	15,260	—110
Ocean marine	84,103	61,034
Inland marine	534,119	335,425
Accident only (indiv.)	1,464	190
Workmen's comp.	15,222	9,197
Liability (not auto)	63,022	39,810
Auto BI liability	484,306	309,858
Auto PDL	237,953	225,664
Auto phys. dam.	3,553,012	2,379,620
Aircraft PHD	73,676	55,817
Liability (not auto) PD	15,875	3,997
Surety	23,598	16,854
Glass	5,926	3,352
Burglary, theft	21,578	8,370
Total	10,578,347	5,954,706

Palatine—Assets, $5,909,027, decr., $426,724; loss res., $443,316; unearned prem., $2,432,934; underwriting loss, $256,274; investment gain, $195,520; net income, $—52,535; surplus, $2,861,657, decr., $512,029.

Fire	1,136,173	639,348
Extended coverage	395,146	234,354
Other allied lines	6,882	3,973
Homeowners mult. peril	63,948	43,473
Commercial mult. peril	4,993	3,307
Earthquake	2,519	5
Inland marine	262,743	147,245
Auto PDL	5,836	3,384
Auto phys. dam.	394,023	229,893
Glass	261	85
Burglary, theft	125	183
Boiler, machinery	12,112	15,419
Total	2,284,766	1,320,673

Pearl—Assets, $24,017,831, decr., $157,221; loss res., $2,641,162; unearned prem., $11,934,845; underwriting loss, $1,856,110; investment gain, $1,150,638; net income, $—698,045; deposit capital, $500,000; surplus, $7,933,065, decr., $1,259,160.

Fire	5,559,701	3,143,785
Extended coverage	2,142,762	939,224
Other allied lines	29,962	7,673
Homeowners mult. peril	426,138	234,740
Commercial mult. peril	8,145	3,900
Earthquake	33,883	465
Hail (growing crops)	14,650	23,833
Inland marine	874,365	627,023
Prop. ins. not other. class.	49,571	43,317
Workmen's comp.	1,670	2,174
Liability (not auto)	66,795	33,686
Auto BI liability	279,864	366,538
Auto PDL	107,949	135,120
Auto phys. dam.	1,681,435	1,105,859
Liability (not auto) PD	3,212	2,369
Glass	12,757	5,306
Burglary, theft	22,552	16,262
Total	11,315,238	6,691,284

Providence Washington—Assets, $43,343,424, incr., $2,448,816; loss res., $8,974,647; unearned prem., $17,766,184; underwriting loss, $992,514; investment gain, $2,131,127; net income, $1,123,267; capital, $4,800,270; surplus, $11,998,176, decr., $609,337.

	Premiums Earned $	Losses Incurred $
Fire	8,444,890	4,560,388
Extended coverage	2,718,338	1,551,646
Other allied lines	53,404	13,820
Homeowners mult. peril	1,072,254	609,237
Commercial mult. peril	64,692	22,756
Earthquake	8,117	165
Hail (growing crops)	158,335	109,825
Ocean marine	2,145,022	1,551,704
Inland marine	2,862,852	1,620,920
Accident only (indiv.)	4,317	865
A&S (indiv.)	106	28
Group A&S	398	4
Workmen's comp.	935,170	242,087
Liability (not auto)	780,070	268,990
Auto BI liability	2,798,494	1,537,637
Auto PDL	1,274,653	758,813
Auto phys. dam.	1,746,816	1,115,788
Aircraft PHD	179,837	136,362
Liability (not auto) PD	228,254	60,315
Fidelity	46,005	12,506
Surety	283,716	157,377
Glass	66,722	30,551
Burglary, theft	122,441	69,752
Boiler, machinery	34	....
Total	25,994,172	14,431,539

Queen—Assets, $83,765,573, incr., $213,261; loss res., $21,237,526; unearned prem., $27,347,849; underwriting loss, $2,117,990; investment gain, $2,335,922; net income, $462,206; capital, $5,000,000; surplus, $29,841,555, decr., $3,181,543.

Fire	8,446,359	4,463,061
Extended coverage	2,568,106	1,263,461
Other allied lines	89,994	30,027
Homeowners mult. peril	831,239	462,467
Commercial mult. peril	68,985	65,279
Earthquake	28,612	—47
Ocean marine	1,361,288	800,742
Inland marine	1,256,178	694,588
Accident only (indiv.)	152,755	62,003
A&S (indiv.)	23,371	7,221
Hosp. & med. (indiv.)	283,602	140,729
Group A&S	583,143	500,875
Workmen's comp.	4,023,618	2,300,860
Liability (not auto)	2,810,247	1,383,437
Auto BI liability	6,736,328	5,176,652
Auto PDL	2,975,569	1,678,372
Auto phys. dam.	2,899,046	1,667,025
Aircraft PHD	96,644	57,771
Liability (not auto) PD	603,401	213,556
Fidelity	335,924	220,046
Surety	356,252	160,206
Glass	248,631	111,292
Burglary, theft	614,102	283,899
Boiler, machinery	391,885	45,925
Total	37,785,292	21,789,457

Resolute—Assets, $18,811,268, decr., $696,547; loss res., $1,117,118; unearned prem., $11,308,290; underwriting gain, $196,317; investment gain, $520,695; net income, $335,746; capital, $1,000,000; surplus, $5,592,540, incr., $109,217.

Fire	3,649	96
Extended coverage	265	2,338
Inland marine	135,798	8,705
Accident only (indiv.)	4,543	4,010
A&S (indiv.)	4,926	1,164
Auto PDL	319,020	180,121
Auto phys. dam.	11,891,210	6,697,192
Liability (not auto) PD	416,310	358,117
Chattel Mortgage	212,459	15,352
Total	12,988,180	7,267,095

Royal Indemnity—Assets, $89,602,914, decr., $441,817; loss res., $22,611,720; unearned prem., $29,117,416; underwriting loss, $2,263,071; investment gain, $2,288,494; net income, $386,536; capital, $2,500,000; surplus, $32,563,046, decr., $3,730,053.

Fire	8,992,888	4,751,845
Extended coverage	2,734,278	1,345,215
Other allied lines	95,817	31,970
Homeowners mult. peril	885,025	492,393
Commercial mult. peril	73,449	69,502
Earthquake	30,463	—50
Ocean marine	1,449,372	860,387
Inland marine	1,337,461	739,534
Accident only (indiv.)	162,639	66,015
A&S (indiv.)	24,884	7,689
Hosp. & med. (indiv.)	301,953	149,835
Group A&S	620,876	533,284
Workmen's comp.	4,283,970	2,449,737
Liability (not auto)	2,992,086	1,472,954
Auto BI liability	7,172,208	5,511,613
Auto PDL	3,168,105	1,786,972
Auto phys. dam.	3,086,631	1,774,891
Aircraft PHD	102,897	61,510
Liability (not auto) PD	642,445	227,374
Fidelity	357,661	234,285
Surety	379,304	170,571
Glass	264,719	118,493
Burglary, theft	653,838	302,270
Boiler, machinery	417,242	48,896
Total	40,230,222	23,207,197

Royal—Assets, $64,587,742, decr., $22,259; loss res., $16,357,494; unearned prem., $21,069,827; underwriting loss, $1,640,479; investment gain, $1,669,959; net income, $621,137; statutory deposit, $500,000; surplus, $22,744,238, decr., $1,357,461.

Fire	6,508,665	3,439,181
Extended coverage	1,978,952	973,607
Other allied lines	69,348	23,138
Homeowners mult. peril	640,543	356,373
Commercial mult. peril	53,159	50,303
Earthquake	22,048	—36
Ocean marine	1,031,693	610,516
Inland marine	965,566	536,192
Accident only (indiv.)	117,711	47,779
A&S (indiv.)	18,009	5,563
Hosp. & med (indiv.)	218,540	108,444
Group A&S	449,363	385,969
Workmen's comp.	3,100,553	1,773,016
Liability (not auto)	2,165,543	1,066,061
Auto BI liability	5,190,935	3,989,067
Auto PDL	2,292,938	1,293,333
Auto phys. dam	2,233,971	1,284,590
Aircraft PHD	74,473	44,517
Liability (not auto) PD	464,974	164,564
Fidelity	258,859	169,565
Surety	274,524	123,453
Glass	191,592	85,760
Burglary, theft	473,219	218,769
Boiler, machinery	301,982	35,390
Perpetual risks	—133	....
Total	29,097,037	16,785,124

Seaboard Surety—Assets, $26,951,678, incr., $449,630; loss res., $2,821,434; unearned prem.,

$7,037,542; underwriting gain, $1,076,319; investment gain, $764,694; net income, $1,209,203; capital, $2,000,000; surplus, $13,727,940, decr., $425,892.

	Premiums Earned $	Losses Incurred $
Fire	20,964	2,254
Extended coverage	7,079	1,440
Other allied lines	110	1
Inland marine	432	....
Accident only (indiv.)	92	....
A&S (indiv.)	13	....
Hosp. & med. (indiv.)	15	....
Group A&S	44	....
Workmen's comp.	59,058	13,807
Liability (not auto)	1,105,534	614,475
Auto BI liability	86,614	54,385
Auto PDL	49,310	28,375
Auto phys. dam.	11,343	8,857
Liability (not auto) PD	113,731	42,368
Fidelity	850,169	317,311
Surety	4,939,452	851,607
Glass	4,537	2,050
Burglary, theft	88,864	33,646
Boiler, machinery	114	....
Credit	11,556	—700
Total	7,349,039	1,969,882

Security Mutual—Assets, $18,356,155, incr., $3,155,653; loss res., $8,264,577; unearned prem., $5,215,254; underwriting gain, $63,783; investment gain, $326,414; net income, $293,415; special contingent surplus, $850,000; surplus, $3,158,703, incr., $142,698.

Fire	5,132	1,245
Extended coverage	2,234	8
Other allied lines	54	....
Workmen's comp. (other)	262,912	244,527
Workmen's comp., N.Y.	2,125,368	1,027,300
Liability (not auto)	5,368,994	2,897,236
Auto BI liability	367,053	289,032
Auto PDL	128,528	72,513
Auto phys. dam.	8,175	—43
Liability (not auto) PD	209,393	71,623
Burglary, theft	1,641	270
Disability benefits	76,851	58,331
Excess loss reins.	16,014	14,670
Total	8,572,356	4,676,765

Star—Assets, $27,952,509, incr., $23,589; loss res., $7,120,815; unearned prem., $9,169,573; underwriting loss, $712,668; investment gain, $777,583; net income, $152,265; capital, $1,000,000; surplus, $9,979,724, decr., $1,201,779.

Fire	2,832,014	1,496,440
Extended coverage	861,070	423,630
Other allied lines	30,174	10,068
Homeowners mult. peril	278,709	155,063
Commercial mult. peril	23,130	21,886
Earthquake	9,593	—16
Ocean marine	456,432	272,950
Inland marine	421,189	232,889
Accident only (indiv.)	51,218	20,789
A&S (indiv.)	7,836	2,421
Hosp. & med. (indiv.)	95,090	47,185
Group A&S	195,524	167,940
Workmen's comp.	1,349,095	771,467
Liability (not auto)	942,259	463,859
Auto BI liability	2,258,651	1,735,698
Auto PDL	997,690	562,747
Auto phys. dam.	972,033	558,944
Aircraft PHD	32,404	19,370
Liability (not auto) PD	202,316	71,603
Fidelity	112,633	73,780
Surety	119,449	53,716
Glass	83,365	37,315
Burglary, theft	205,904	95,189
Boiler, machinery	131,396	15,398
Total	12,669,186	7,310,342

State Auto, Indiana—Assets, $23,183,383, incr., $1,784,721; loss res., $6,236,049; unearned prem., $6,897,082; underwriting loss, $4,315,291; investment gain, $455,787; net income, $—3,867,088; surplus, $7,579,933, decr., $1,966,356.

Liability (not auto)	49,187	15,439
Auto BI liability	4,153,837	5,741,669
Auto PDL	3,315,386	2,507,275
Auto phys. dam.	4,780,812	3,755,721
Liability (not auto) PD	13,705	8,298
Fidelity	214	—65
Glass	4,669	2,677
Burglary, theft	6,693	4,676
Auto medical payments	820,256	643,034
Auto total dis. & death ind.	3,322	....
Auto other	11,744	4,367
Total	13,159,830	12,683,095

Texas Employers—Assets, $27,174,293, incr., $1,557,439; loss res., $10,933,511; unearned prem., $2,980,709; underwriting gain, $5,449,239; investment gain, $568,593; net income, $5,795,274; surplus, $8,358,100, incr., $538,202.

Workmen's comp.	26,618,524	15,217,967

Thames & Mersey Marine—Assets, $10,089,974, incr., $42,917; loss res., $2,498,533; unearned prem., $3,217,394; underwriting loss, $249,010; investment gain, $280,764; net income, $94,730; statutory deposit, $500,000; surplus, $3,796,164, decr., $413,333.

Fire	993,689	525,066
Extended coverage	302,130	148,641
Other allied lines	10,587	3,532
Homeowners mult. peril	97,792	54,408
Commercial mult. peril	8,115	7,679
Earthquake	3,366	—6
Ocean marine	160,151	94,043
Inland marine	147,785	81,716
Accident only (indiv.)	17,971	7,293
A&S (indiv.)	2,749	849
Hosp. & med. (indiv.)	33,364	16,556
Group A&S	68,605	58,926
Workmen's comp.	473,366	270,689
Liability (not auto)	330,617	162,757
Auto BI liability	792,509	609,017
Auto PDL	350,066	197,455
Auto phys. dam.	341,064	196,120
Aircraft PHD	11,369	6,797
Liability (not auto) PD	70,988	25,124
Fidelity	39,520	25,188
Surety	41,912	18,847
Glass	29,250	13,093
Burglary, theft	72,247	33,400
Boiler, machinery	46,104	5,403
Total	4,445,328	2,563,303

Union of England—Assets, $5,633,597, decr., $317,982; loss res., $443,316; unearned prem., $2,432,934; underwriting loss, $256,274; investment gain $180,781; net income, $—73,443; surplus, $2,612,790 decr., $466,811.

	Premiums Earned $	Losses Incurred $
Fire	1,136,173	639,347
Extended coverage	395,146	234,354
Other allied lines	6,882	3,973
Homeowners mult. peril	63,948	43,474
Commercial mult. peril	4,993	3,307
Earthquake	2,519	5
Inland marine	262,743	147,245
Auto PDL	5,836	3,384
Auto phys. dam.	394,023	229,893
Glass	261	85
Burglary, theft	125	183
Boiler, machinery	12,112	15,419
Total	2,284,766	1,320,673

United States Fire—Assets, $130,909,174, decr., $2,251,623; loss res., $15,726,819; unearned prem., $14,307,637; underwriting loss, $2,287,568; investment gain, $3,778,461; net income, $1,954,757; capital, $6,300,000; surplus, $65,098,533, decr., $5,425,173.

Fire	20,234,209	10,090,835
Extended coverage	6,910,129	3,626,698
Other allied lines	137,910	48,199
Homeowners mult. peril	1,396,675	616,384
Commercial mult. peril	673,224	507,323
Earthquake	120,088	973
Hail (growing crops)	2,150,648	1,250,912
Ocean marine	3,242,795	2,239,817
Inland marine	3,594,405	2,370,648
Accident only (indiv.)	1,779	432
A&S (indiv.)	14,323	8,906
Group A&S	20,353	19,677
Workmen's comp.	1,193,378	707,153
Liability (not auto)	1,158,404	510,809
Auto BI liability	3,379,610	2,384,329
Auto PDL	1,578,932	1,069,429
Auto phys. dam.	4,374,622	2,620,576
Aircraft PHD	166,063	118,544
Liability (not auto) PD	166,270	76,136
Fidelity	64,128	41,141
Surety	96,221	17,263
Glass	112,989	53,074
Burglary, theft	267,000	129,916
Boiler, machinery	1,701	1,109
Total	51,055,870	28,510,294

Utica Mutual—Assets, $65,151,393, incr., $3,127,067; loss res., $26,500,669; unearned prem., $16,851,023; underwriting gain, $3,202,759; investment gain, $1,436,175; net income, $4,304,942; special contingent surplus, $1,000,000; surplus, $13,697,530, incr., $74,351.

Fire	358,885	134,494
Extended coverage	149,633	33,137
Other allied lines	1,236	—409
Homeowners mult. peril	91,825	12,096
Earthquake	—12	....
Hail (growing crops)	1,669	562
Inland marine	5,653	2,749
Accident only (indiv.)	17,694	1,250
Group A&S	466,980	372,745
Workmen's comp.	8,939,536	5,122,530
Liability (not auto)	2,000,000	599,204
Auto BI liability	13,115,655	7,445,866
Auto PDL	5,040,634	2,751,725
Auto phys. dam.	2,235,522	1,109,862
Liability (not auto) PD	465,407	172,691
Fidelity	29,499	8,279
Surety	35,356	33,737
Glass	102,880	44,634
Burglary, theft	116,680	40,909
Catastrophe reins.	89,054	92,689
Surplus lines reins.	—12,522	10,583
Excess of loss reins.	4,062	31,760
Total	33,256,275	18,021,102

Virginia F.&M.—Assets, $10,042,601, incr., $9,239; loss res., $2,498,533; unearned prem., $3,217,394; underwriting loss, $250,065; investment gain, $279,714; net income, $56,043; capital, $1,000,000; surplus, $3,779,384, decr., $376,960.

Fire	993,689	525,066
Extended coverage	302,130	148,641
Other allied lines	10,587	3,532
Homeowners mult. peril	97,792	54,408
Commercial mult. peril	8,115	7,679
Earthquake	3,366	—6
Ocean marine	160,151	95,070
Inland marine	147,785	81,716
Accident only (indiv.)	17,971	7,294
A&S (indiv.)	2,749	849
Hosp. & med. (indiv.)	33,364	16,556
Group A&S	68,605	58,926
Workmen's comp.	473,366	270,689
Liability (not auto)	330,617	162,757
Auto BI liability	792,509	609,016
Auto PDL	350,066	197,455
Auto phys. dam.	341,064	196,120
Aircraft PHD	11,369	6,797
Liability (not auto) PD	70,988	25,124
Fidelity	39,520	25,888
Surety	41,912	18,847
Glass	29,250	13,093
Burglary, theft	72,247	33,400
Boiler, machinery	46,104	5,403
Total	4,445,328	2,564,331

Westchester Fire—Assets, $72,333,926, decr., $1,208,532; loss res., $9,139,065; unearned prem., $23,020,276; underwriting loss, $1,326,730; investment gain, $2,159,599; net income, $1,147,528; capital, $2,000,000; surplus, $37,014,373, decr., $2,936,782.

Fire	10,175,610	5,076,195
Extended coverage	3,455,691	1,826,239
Other allied lines	69,222	24,117
Homeowners mult. peril	717,279	336,417
Commercial mult. peril	356,734	263,417
Earthquake	60,044	488
Hail (growing crops)	1,070,176	6 27,234
Ocean marine	2,566,363	1,846,714
Inland marine	2,445,267	1,542,488
Accident only (indiv.)	889	216
A&S (indiv.)	9,549	5,937
Group A&S	10,176	9,838
Workmen's comp.	605,260	357,220
Liability (not auto)	583,441	255,939
Auto BI liability	1,702,576	1,201,062
Auto PDL	795,226	544,639
Auto phys. dam.	2,230,539	1,355,214
Aircraft PHD	83,031	59,255
Liability (not auto) PD	83,183	39,888
Fidelity	34,867	22,905
Surety	48,473	8,856
Glass	56,676	26,492
Burglary, theft	137,068	67,758
Boiler, machinery	1,120	740
Total	27,298,472	15,499,267

Western Casualty—Assets, $40,235,784; decr., $275,491; loss res., $12,455,466; unearned prem., $13,781,587; underwriting loss, $162,380; investment gain, $552,737; net income, $389,429; capital, $2,500,000; surplus, $10,634,713; decr., $1,728,178.

	Premiums Earned $	Losses Incurred $
Inland marine	5,883	4,572
A&S (indiv.)	570,887	171,299
Hosp. & med. (indiv.)	153,010	93,700
Workmen's comp.	4,132,199	2,560,393
Liability (not auto)	3,366,175	1,194,635
Auto BI liability	8,418,800	5,342,534
Auto PDL	4,922,150	3,120,034
Liability (not auto) PD	932,644	290,780
Fidelity	157,530	37,407
Surety	905,625	17,501
Glass	304,194	144,315
Burglary, theft	410,372	209,421
Auto disability	47,804	8,275
Total	24,327,278	13,194,916

Western Fire—Assets, $20,433,689, incr., $1,104,964; loss res., $1,962,885; unearned prem., $12,115,904; underwriting loss, $1,869,309; investment gain, $474,662; net income,—$1,275,402; capital, $1,000,000; surplus, $4,730,381; decr., $1,624,968.

	Premiums Earned $	Losses Incurred $
Fire	1,790,782	1,152,636
Extended coverage	1,000,768	596,609
Other allied lines	25,874	21,993
Homeowners mult. peril	333,186	184,078
Commercial mult. peril	5,094	4,443
Earthquake	1,704	15
Inland marine	332,347	231,857
Liability (not auto)	4,752	807
Auto BI liability	608,504	421,968
Auto PDL	299,180	217,814
Auto phys. dam.	8,848,052	5,594,058
Surety	1,435	....
Glass	3,937	1,578
Burglary, theft	9,153	4,869

	Premiums Earned $	Losses Incurred $
Auto disability	2,963	....
Credit	11,556	....
Total	13,279,294	8,432,635

Western of Canada—Assets, $11,556,911, incr., $20,212; loss res., $1,704,822; unearned prem., $3,910,276; underwriting loss, $235,986; investment gain, $323,840; net income, $117,228; statutory deposit, $500,000; surplus, $5,440,904, decr., $186,648.

	Premiums Earned $	Losses Incurred $
Fire	1,622,946	820,401
Extended coverage	582,161	304,291
Other allied lines	11,772	4,336
Homeowners mult. peril	125,339	61,658
Commercial mult. peril	64,899	48,295
Earthquake	10,112	81
Hail (growing crops)	180,240	105,496
Ocean marine	600,608	432,125
Inland marine	566,989	357,655
Accident only (indiv.)	149	37
Group A&S	1,714	1,655
Workmen's comp.	96,164	57,709
Liability (not auto)	95,626	43,119
Auto BI liability	278,145	196,297
Auto PDL	130,052	88,446
Auto phys. dam.	359,573	214,696
A rcraft PHD	13,984	9,982
Liability (not auto) PD	13,977	6,075
Fidelity	3,984	2,476
Surety	7,919	1,450
Glass	9,432	4,463
Burglary, theft	20,825	9,959
Boiler, machinery	7	....
Total	4,796,577	2,770,711

Pacific Employers Group Ends 1957 In The Black

Pacific Employers, California Union, Allied Compensation and Meritplan—the companies comprising Pacific Employers group—each produced gross underwriting earnings during 1957 and net operating earnings after provisions for policyholder dividends and federal income taxes.

Pacific Employers operates on a nationwide basis, while California Union, Allied Compensation and Meritplan confine operations to California.

After deducting reinsurance ceded, total net premiums written were $28,801,985, a slight increase. Combined net earned premiums were $28,494,449. Incurred losses and expenses totaled $27,580,088. This left $914,361 gross underwriting earnings before deductions for policyholder dividends or income taxes.

Combined investment earnings amounted to $714,150. Gross underwriting earnings plus investment earnings resulted in gross operating earnings of $1,620,515. After dividends to policyholders, taxes and an amount representing minority interests in subsidiary companies, the net operating earnings were $263,792—about 66 cents per share on the 400,000 shares of Pacific Employers stock outstanding. Surplus to policyholders amounted to $8,707,798 at the end of the year.

N.Y. Department Examiner Sets Up Consulting Firm

Maxwell Livshin, associate examiner has left the New York department to form his own business as a pension and welfare consultant with offices at 258 Broadway, New York City, and in the Rubin building, Syracuse.

From 1923 to 1928 Mr. Livshin was with the income tax division of Internal Revenue Bureau in Syracuse and Buffalo. Until he joined the examining staff of the department in 1930, he practiced public accounting in Syracuse.

In the New York department, Mr. Livshin had experience in examining casualty insurers, and participated in the merger of several of the larger mutual casualty companies. In 1949 he was appointed associate examiner in the uniform accounting bureau and helped prepare a number of departmental interpretations on uniform allocation of expenses. In 1951 he made the first department investigation of a welfare and pension fund.

Eau Claire Board Meets

Commissioner Rogan and Paul Mast, executive secretary of Wisconsin Assn. of Insurance Agents, spoke at a meeting of the Eau Claire board. Mr. Rogan discussed the work of his department, the agents' qualification law and its results, and the current reduction of workmen's compensation rates. Mr. Mast spoke on the Road Aid program and the new national association advertising program.

Three Executive Reassignments Made By Nw Mutual

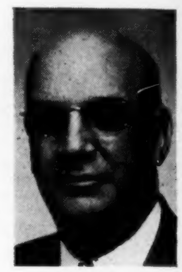
Northwestern Mutual has reassigned Geoffrey Christian, vice-president and manager of the eastern and southern division, to the home office in Seattle, James M. Battle, vice-president, to succeed him, and H. O. McPherson, assistant vice-president, as manager of the western division.

Geoffrey Christian

Mr. Christian is being transferred to assume new executive and administrative responsibilities. He has headed the eastern division since 1944 and the southern division since 1954. He has been a director since 1947.

Manager of the southern division from 1944 to 1954, Mr. Battle reassumes

H. O. McPherson



James M. Battle

those duties in addition to those of the eastern division and his present home office responsibilities. He will remain at Seattle. He has been a director since 1944.

Mr. McPherson has been assistant western division manager since 1954, and previous to that was manager of the northern California department.

3-Class Plan In N.C. For Unprotected Dwellings

The North Carolina Fire Insurance Rating Bureau filing revising unprotected dwelling fire rates and creating three classifications for rating purposes has been approved by Commissioner Gold, effective Feb. 15.

The filing provides for three classes of unprotected dwelling risks to be rated at 54, 60, and 72 cents, respectively, depending upon the nature and extent of building improvements, such as interior plumbing, electric wiring, central heating, masonry or concrete foundations, and central exchange telephone service.

The filing also revises the term multiple, setting it at 88%.

Detroit Mariners Elect

Mariners of the Port of Detroit elected the following officers for 1958: John H. Roberts, Michigan Mutual Liability, skipper; Ralph Galbraith, Appelton & Cox, first mate; Kenneth Jones, purser; and Richard Stratton, Atlantic Mutual, yeoman.

Louisville Board Slates Seminar

Louisville Board is initiating an all day educational seminar, April 8, at Kentucky hotel for its members, and company representatives and members of Kentucky Assn. of Insurance Agents will be invited to attend. Speakers will be; E. W. McDowell, America Fore, homeowners; George J. Cleary, Aetna Casualty, comprehensive general liability; and Robert J. Glasgow, Continental Casualty, accident and health.

Worcester Mutual Fire Has Good Year

Before correction for portfolio reinsurance distortions, Worcester Mutual Fire had a loss and loss expense ratio incurred to earned of 43.34 and an underwriting expense ratio incurred to written of 38.61 for a total of 81.95.

However, in April the company assumed two portfolios of reinsurance from Guarantee Mutual of Springfield, O., and at year end it reassumed a portfolio from a reinsurer to which Worcester Mutual had ceded it on a quota share contract two years ago when premiums were growing too fast, President M. M. Rowe states in a bulletin to the company's officers and field men.

Assumption of the three portfolios added $758,770 to unearned premium reserve. Also, the reinsurance commission adjustment added $458,081 to the underwriting expense and reduced surplus by $392,314.

Total drop in surplus was $649,791, but without the three portfolios the drop is $257,477. The latter figure is more than accounted for by a decline in security values of $298,320. The company has an invested portfolio of about $8 million.

Underwriting profit was only about $125,000 short of the dividends paid insured, according to Mr. Rowe, and this was more than offset by an investment profit of more than $200,000. Assets increased by $232,428. Unearned premium reserve increased by $850,315.

Facing Two Revolutions

In his report at the annual meeting, Mr. Rowe said that the industry is in the midst of two revolutions, one in distribution and the other in development of coverage. Changes in coverages have been developed in a period of intense competition when the soundest thinking does not prevail.

"However," he added, "the pressures of the market place will eventually weed out the unfit and stabilize industry practices again. Specifically, we believe that the agency system of marketing insurance coverage will continue, the development of multiple line operating will soon be further complicated by what we may call all line operating in which an insurance organization can provide for all the insurance needs of its customers and not just one type."

—

National Insurance Agency of Wilson, N. C., has been sold to the John N. Hackney agency, also of Wilson.

Texas Liquidator Quits; Ft. Worth Judge Named

AUSTIN—J. D. Wheeler, liquidator of the Texas department for four years, resigned last week, explaining that he can no longer work with the "difference of opinion" dealing with appointments of his chief counsel in various proceedings. His successor, appointed by Commissioner William A. Harrison, is Judge James M. Williamson of Fort Worth.

Mr. Wheeler, in his letter of resignation, pointed out that the Texas supreme court failed to clarify the right of appointment in a recent opinion by holding that an Austin district judge was within his authority in naming a liquidation counsel after the old board of commissioners had failed to appoint a counsel for a case in his court. This and other "differences of opinion" made it impossible for him to continue as liquidator, said Mr. Wheeler.

The liquidation division has recently been under severe attack by a special investigating committee of the Texas senate, which now plans to recall Mr. Wheeler for further grilling at another session.

Judge Williamson, except for 10 years as judge of the 11th district court, has been practicing law since graduation from the University of Texas in 1931. Among his clients are several fire, casualty and life companies

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Ind. Surety Assn. Elects Barnes To Fill Vacancy

Earl C. Barnes, Standard Accident, has been elected president of Indiana Casualty & Surety Managers Assn. for the balance of the year, succeeding C. Craig Caulkins, Globe Indemnity, who has been transferred.

Other officers are H. Joseph Wilson, Massachusetts Bonding, vice-president, and William F. Koch, American, secretary-treasurer.

—

Named Assistant V-P By Merchants Fire

M. P. Kaufman, who has been manager of the eastern department at Harrisburg for many years, has been appointed an assistant vice-president of Merchants Fire.

—

Roseville (Cal.) Officers Switch

Joseph Barbieri, recently elected president of Roseville Insurance Agents Assn., has traded positions with John H. Piches, association vice-president. Mr. Barbieri recently suffered a heart attack and is recuperating in Roseville District hospital.

Royal-Globe Makes Several Promotions

A. Harrison Brennan, state agent of Royal-Globe at Asbury Park, N. J., has been named assistant superintendent of education for the group, Edmund J. Nielsen assistant superintendent of the metropolitan and suburban fidelity and surety department, Frederick Hill superintendent of an expanded Philadelphia bonding department, and Richard J. Reynolds Jr. assistant regional manager for New York state.

Mr. Brennan is succeeded as state agent in Orange and Monmouth counties, N. J., by M. Raymond Shalloo, formerly special agent at Trenton. Mr. Brennan has been with Royal-Globe since 1945 and has been assigned in the New Jersey field for 12 years. In his new position he will assist James A. Baxter, superintendent of education. Mr. Shalloo has been with the group since 1947.

Mr. Nielsen formerly was with American Surety in New York and Chicago. He will assist Tracy A. Clute, superintendent of the department.

Mr. Hill formerly was with Maryland Casualty in Philadelphia. He will be assisted by Horace Steel, supervising underwriter, and Edward L. Bremner, special representative.

Mr. Reynolds will be associated with Regional Manager Joseph V. O'Connor in Syracuse. Mr. Reynolds joined the group in 1949 as a special agent trainee and was appointed special agent at Syracuse in 1950. He served as state agent in Baltimore 1953 to 1957 and last year was selected for the group's special administrative training program in the New York office.

Mark Wells, editor and publisher of *Insurance Journal,* disclosed the "News Behind the News" at the monthly meeting of Insurance Assn. of Los Angeles.

U. S. Chamber Service Outlined At Luncheon

Mortimer E. Sprague, vice-president of Home and a director of the U. S. Chamber of Commerce, was host at a luncheon for company and insurance association executives at the Bankers club in New York.

Charles N. Harbaugh of the chamber's Washington office outlined the constant activity of pressure groups through lobbyists who concentrate on achieving more government spending and increased federal intervention in business.

"By contrast," Mr. Harbaugh said, "business men have splintered and scattered their efforts to preserve their rights of private management. They waste some $300 million a year in ineffective effort through various organizations."

He urged business men to focus their activity through the chamber which is ideally organized for this purpose.

Cal. Medical Assn. Names Whelan To Watchdog Office

California Medical Assn. has appointed William M. Whelan, former FBI special agent at San Francisco, to head a new bureau of special service that has been established in an effort to better control malpractice suits and awards which are responsible for substantial rate increases in that state.

Mr. Whelan will have administrative duties and will represent the association in the state legislature and keep an eye on legislation affecting social security, workmen's compensation, A&S and any other measures affecting the medical profession.

Robinson Elected V-P Of New Allstate Zone Territory

Stafford J. Robinson, manager of the Chicago regional office of Allstate, has been elected to vice-president of the newly created west central zone territory, an 11-state area with headquarters in Kansas City. Mr. Robinson joined Allstate in 1945 as material damage supervisor at the home office. He became assistant manager at Rochester, N. Y., in 1953 and manager later that year, and was named manager of the Chicago regional office in 1956.

Ohio Farmers Appoints Hanson On Pacific Coast

Ohio Farmers has appointed LeRoy L. Hanson as assistant secretary for claims in the Pacific coast department. He will be located at Los Angeles.

Madison Board Elects

New officers of the Madison (Wis.) board are H. L. Klipstein, president, who succeeded George N. Neckerman; Robert M. Edwards, vice-president; R. J. Devine, secretary; William J. Bush, treasurer; J. W. S. Gallagher and Jack Heifetz, directors and V. L. Sheehan, executive secretary.

Home Mutual Had '57 Gains

An 18.9% increase in business was written last year by Home Mutual of Appleton, premiums being $5,335,281. There was a substantial increase in homeowners and dwelling package policy business to a total of $318,968. Casualty premiums amounted to $4,008,750, a 17% gain, and fire business increased more than 25% to $1,326,539. The 1957 loss ratio was 51.9%.

The Sioux City, Ia., office of **Western Adjustment** has moved to 214 Commerce building.

Agency Insurers Must Set In Or Out Of Auto Lines

(CONTINUED FROM PAGE 1)

in a large part of the WC volume going to the direct writers, the mutuals, and the companies specializing in the writing of the line.

From a practical standpoint there is no such thing as avoiding the writing of automobile insurance. Its very volume makes that impossible. The total amount of the premiums, and the fact that every agent is offered and must somehow write automobile insurance demands that the companies writing a general business must learn to live with and know how to underwrite the average automobile risk.

Auto Still A New Line

Automobile insurance is still a comparatively new line. It was only about 1910 that automobiles began to come into fairly general use. Before that time the purchasers of auomobiles were the well-to-do, the prosperous, but not the average business man or worker. It was only within very recent time the purchasers of automobiles that every wage or salary earner in the country is entitled to, and should have, an automobile. The greatly increased number of cars on the roads and streets today has increased enormously the underwriting problems which some are still trying to solve with their original conceptions of automobile insurance. Forty years ago the fire and marine companies wrote $27,056,397 in total premiums, and the casualty companies $47,500,000. Perhaps the premiums and losses of 12 casualty and 12 fire companies for the year 1917 (only 40 years ago) might be of interest. They were set forth in the 1917 automobile insurance number of THE NATIONAL UNDERWRITER. Here they are:

CASUALTY COMPANIES

	1917 Prems. $	1917 Losses $	Loss Ratio %	Prem. Incr. $
Aetna Cas.	3,662,343	1,154,746	.32	2,377,845
American Cas.	102,100	59,230	.58	24,601
Continental Cas.	69,205	22,749	.33	26,261
Empl. Liab.	704,723	291,923	.42	168,491
F.&C.	338,624	192,197	.50	136,805
General Acc.	355,063	201,295	.57	74,369
Globe Ind.	359,588	164,477	.46	40,616
Hartford Acc.	236,543	122,435	.52	—54,648
Maryland Cas.	467.505	228,616	.49	152,543
Royal Indem.	359,359	180,513	.50	61,731
Travelers Ind.	1,285,685	683,364	.49	440,867
U.S.F.&G.	463,816	207,310	.45	149,872

FIRE COMPANIES

	1917 Prems. $	1917 Losses $	Loss Ratio %	Prem. Incr. $
Aetna Fire	531,839	208,295	.39	140,736
American	562,668	177,539	.32	299,633
Boston	720,807	332,207	.46	150,416
Com. Un., Eng.	463,677	265,752	.57	116,876
Com. Un., N.Y.	87,624	36,985	.42	25,978
Fireman's Fd.	1,199,345	603,209	.51	350,679
Great Amer.	406,656	241,760	.59	127,837
Hartford	1,048,704	378,502	.36	311,150
Home	825,981	384,352	.46	355,230
No. Amer.	636,798	304,942	.48	52,989
No. British	520,756	550,006	1.06	332,256
Royal	1,187,027	558,114	.47	279,545
St. Paul	1,166,690	133,088	.63	409,850

Forty years or more ago automobile insurance was underwritten on the theory that any owner of any automobile was a superior citizen, a good moral risk; the kind of man who owned his own business, or at least his own home, and so his automobile insurance could be written without any qualms. The mass production of automobiles and their mass use was as nothing compared with today.

In the early days, automobile underwriting often was a marine insurance matter. That is, the companies which had been specializing in marine insurance were among the first to take up and push for automobile business. Because the risk was mobile, and moved around from one location to another, it was thought of as a marine line. But the confused thinking came in the belief that a man whose store or warehouse, or factory, or residence could be insured presented an equally good risk as an automobile owner. The hazards involved in an automobile going from one locality to another were not in the early days given consideration. Perhaps they are not today, when itinerant workers, tourists, salesmen and countless others have their cars on the road each day by the hundreds of thousands—encountering hazardous traffic conditions, trucks, reckless drivers, inexperienced drivers, violators of traffic laws, and all the rest. Whether or not an automobile owner is a good, solid citizen who lives and drives carefully, and is considerate of others, is often of no importance, because of the numerous other outside factors with which he has to contend.

Auto Lines Are Mass Operation

Today automobile underwriting has to be looked upon as a mass operation. That is, a very large percentage of all of those making $5,000 a year or more—and perhaps even less—own and drive automobiles. Many of them have a car to go to and from business, as well as use in business, and another for the use of their wives. There are all kinds and conditions of people owning and driving automobiles. There are so many inattentive, inexperienced, indifferent, uncomprehending and even "dumb" drivers, that the large number of them make the thoroughly experienced, competent, careful driver of much less value from an underwriting standpoint than he used to be. In today's situation a general writing fire and casualty company cannot be just part way, or half-heartedly in the automobile business.

To be of any use to an agent and to have a general experience a company must write and underwrite the bulk of the automobile business that is offered to it by its agents. If this is not going to be done, if these companies are going to adopt a frightened attitude and believe that they can select their business only with the greatest of caution, and through a limited number of agents, they might as well drop out of the automobile business, because their agents will put them out of it.

Has Become Highly Competitive

Today the automobile business has become highly competitive. It has been made so by the direct writers, and by the so-called single-agent companies, such as Nationwide, State Farm and Allstate. These companies are writing automobile business aggressively and in large volume which is to say that under such a program they are taking the average risk and getting the average experience. They are paying a smaller commission than the regular stock companies and an almost infinitesimal renewal commission. Not only that, but they are taking no back talk from their agents as to what they will or will not write. They are after all of the automobile premiums that they can get except from the known and obviously bad risks.

This is the situation today, and at least the competitive nature of it is not going to change. So far as the orthodox fire and casualty companies are concerned, they are not going to solve the problem by running away from it. They are not going to change the conditions by wishing they were otherwise. Every year more and more automobiles are going to be manufactured and used, which means that the total automobile premiums will continue to increase just about every year. There does not seem to be any good reason why the regular stock companies cannot attract a satisfactory proportion of the total automobile premiums to them. It is not so much a case of going after the business. It is there to be had.

Instead, the real solution of the problem, and the only one that is practical or can be influenced, has to do with underwriting. Too many companies which have found themselves in trouble with their automobile insurance loss ratios have discontinued

writing automobile business in certain larger cities, or in whole counties, or even in entire sections of a state. This is an attempt to solve a problem by geography, which can only be met by dealing with each agency individually. An agency is not necessarily a poor one because it happens to be situated in an area where the general automobile experience has been poor. The agents who write almost any automobile business that is thrown at them are the ones who have to be regulated or perhaps even discontinued.

There is a great difference in the way in which agencies write their automobile business. In the first place automobile insurance renews every year, and there is considerable switching around in connection with it. The poor risks float around from one agency to the other, and it is not difficult for any company to determine which agents are writing automobile business carelessly as contrasted with those who write automobile insurance just as carefully and conscientiously as they do any other line.

The automobile business is, of course, here to stay. It is growing and will continue to grow. The automobile will come into constantly wider and more general use. It is natural and logical for much of this business to be written by the average local agent in a general writing property insurance company. It seems unfortunate and regrettable that such a large volume of automobile business already has gone to the direct writers. Their volume involves not only millions of dollars but millions of people. This seems to be the time for the agency companies to give study and thought to the question of whether they are not in various ways going to put themselves in a position to recover a fair proportion of the automobile premiums they have already lost, and to get a larger percentage of it in the future.

Millers National Reports On 1957

Millers National showed a policyholders surplus Dec. 31 of $3,843,182, a decrease of $93,679. Premium writings increased in 1957 and unearned premium reserve was $5,269,099, an increase of $173,180. Assets were $10,415,267.

Illinois Fire, wholly owned subsidiary, reported surplus of $1,795,347, up $44,881. Premium writings were higher and unearned premium reserve was $2,049,094, an increase of $67,347. Assets were $4,352,482.

Elect Roberts To Head Wis. Casualty Managers

Thomas W. Roberts, American Surety, has been elected president of Casualty Managers Assn. of Wisconsin. Other officers are Lewis Wargin, Hartford Accident, vice-president; Fred H. Farmer, Great American Indemnity, treasurer; and George H. Clark, Royal-Globe, secretary.

'Free Insurance' Situation

The extension of credit in the insurance business is reflected in a $1,293 suit filed against Union Insurance & Realty Co., Durham, N. C. by John H. Clark. The Clark complaint states that on Oct 3, 1957, he paid $20 down on an automobile full cover policy and claims that made the policy effective to Dec 1. On Nov. 18 his car collided with another. On Nov. 30, according to the complaint, he offered the agency a cashier's check for $88, the balance due on his policy. He wants $850 for loss of his car and $443 for damage to the other car.

Couch Cook County Manager For Aetna

A. J. Couch, co-manager for Aetna Fire in Chicago and Cook county, has assumed full managership of the department, since C. D. Sokol, co-manager, has been transferred to San Francisco to assist vice-president C. M. Marshall.

Mr. Couch, a veteran of more than 25 years with the company, will have additional assistance from John L. Mowatt, assistant manager western department, who is transferring from the Park Ridge, Ill., headquarters to Chicago. Mr. Mowatt has had many years experience with Aetna in all phases of the business except casualty.

Stock, Others Are Named By Allstate

W. V. Stock Jr. has been elected a vice-president of Allstate, and F. W. Hamilton and L. L. van Oosten have been appointed assistant vice-presidents and C. A. Potts becomes assistant secretary.

Mr. Stock will be vice-president in charge of underwriting. He joined Allstate in 1937 at Chicago, became regional manager at Atlanta in 1948, at Los Angeles in 1950, and went to the home office as assistant vice-president in charge of underwriting in 1954.

Mr. Hamilton takes charge of field services. He joined the company in 1946, later was at Atlanta and New York before going to the home office. Mr. van Oosten joined the company in 1948. From 1951 through 1954 he was manager at Roanoke, and more recently has been in the home office as methods research director. He now is assistant vice-president in charge of methods.

Mr. Potts joined Allstate in 1934 as operating manager and in 1949 was appointed property director. He has been in charge of building and property acquisition.

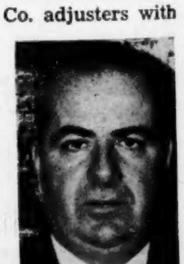
Aetna Life Group Wins Two Mass. Ad Club Awards

Advertising programs of Aetna Life companies won two awards in the annual competition sponsored by Advertising Club of Springfield, Mass. In the consumer advertisement category, Aetna Casualty was awarded first place for its "P.S." national advertising campaign.

Aetna Life won honorable mention for "More Markets" advertising in the business, trade and professional advertisement class. Both programs are handled through Wm. B. Remington Co. of Springfield, Mass., the advertising agency of the group.

Hunt Promotes Four

John H. Hunt & Co. adjusters with home offices in Chicago has promoted four men: Patrick F. O'Keefe from manager to vice-president, George S. Schuyler from assistant manager to manager, and Kenneth W. Gilbertson and Alfred J. Huntington Jr. to assistant managers. The company has branch offices in Illinois at Elmhurst, Elgin, Waukegan, Joliet and in near-by Gary, Ind.


J. H. Hunt

Fire Service Studied At Memphis Forum

(CONTINUED FROM PAGE 12)

ing damage caused by forcible entry operations, and overhauling and tracing fires carefully.

"It is poor policy to send a large number of men rushing into buildings with poke poles, axes and other equipment, for they frequently break lighting fixtures, household furnishings or merchandise and soil floors and carpets unnecessarily," he said. "An officer who allows side walls and ceilings during overhaul to be pulled down over stock, rugs, furniture and fixtures without thought of salvage is guilty of an offense which can be attributed to ignorance, carelessness or lack of experience."

George A. Mead, Indiana employment security division, said that aptitude tests for the selection of fire fighters can reduce excessive personnel turnover due to faulty recruitment, shorten training time, and increase fire department efficiency overall. Training time and costs will be reduced, he said, because a person with the ability learns more quickly when he is placed in an occupation in which he has demonstrated such ability. Estimates of turnover costs vary from $250 to $750 per employe and include such costs as maintaining an adequate personnel section, developing and operating a training program, extra on-the-job supervision, material loss and damaged equipment.

He described methods used by the Indiana employment security division in setting up its aptitude test battery for firemen. Aptitudes found to be most important for fire fighters are: Intelligence, spatial aptitude or ability to comprehend forms in space, form perception, and manual dexterity.

Must Pass Four Tests

Before a fire fighter candidate has the learning ability necessary to success, he must achieve minimum scores for each of these four aptitudes, Mr. Mead explained.

"In your department you may give an IQ test, a mechanical comprehension test, a reaction test, an interest test, a personality test, or use good interviewing techniques," he continued, "but even if you do, you don't have anything to measure the candidate's ability to learn along the clearly identified aptitude lines as discovered in our test development project."

Rapid advances in chemistry and science place additional responsibilities upon those who are charged with fire safety, Chief R. C. Malmquist, Minneapolis fire department, said.

"We face the challenge of our nation's billion dollar fire loss. We are in the world of the atom, the jet, the ICBM, in a world of 'big' fires running into millions of dollars in losses, in a world of fabulous chemical, nuclear and electronic developments involving numerous hazardous operations, in a world of industry suddenly transplanted into rural areas where adequate fire protection is lacking. We must think of the future of the fire service or there will be none," he warned.

Is National Emergency Service

The fire service should be prepared to accept broad responsibility as a key emergency service for national survival during times of enemy attack or natural disaster. It must realize the need not only for understanding the problems of other community services but must be ready to help and take over, if the need arises.

"Only by so doing can we continue to be the most important member of the partnership for our nation's safety, refuting for once and all those advocates of integration of the fire service. No longer will they then be able to point to shortcomings and to failures to plan properly for the future," Chief Malmquist said.

Fire department deficiencies are among a number of factors contributing to large loss fires of $100,000 or more which make up an extremely high per cent of the nation's total fire loss, Carl A. Weers, assistant chief engineer, National Board, said in an address, "Analyzing the Large Fire Losses."

The deficiency of greatest frequency is lack of equipment or defective equipment on the apparatus, such as lack of gas masks, turrets and other heavy special stream devices and emergency equipment." Citing a number of actual case histories, Mr. Weers asked: "Why is it that a city will buy the biggest pumper it can, 1,000 or 1,250 gpm, and yet provide only a few nozzles and no turrets or other heavy stream appliances to make use of that capacity? The result is a powerful combat machine with puny fire power, like an atomic cannon equipped with a clip of 22 cartridges."

Inadequacies in personnel, mainly undermanned equipment, ranks second, he said. Shortening of firemen's work weeks has made it almost impossible for hard pressed cities to add sufficient men to compensate. Some city administrators are exploring extra jobs which firemen can do while in the station, i.e., repairing parking meters. Others are experimenting with combined fire and police departments to achieve what they consider a more "efficient" use of manpower.

"Officer failures" is the third important factor in fire department deficiencies responsible for large loss fires, he said. These faults were often inadequate officer training, poor discipline, lack of accurate knowledge of a burning building, or not knowing of an additional water supply close at hand.

COMMENTS TRENDS OBSERVATIONS

Broker Evaluation of W. A. Alexander & Co. Substitutes Facts For Averages In Measuring Worth Of Individual Producer To His Agency

Faced with the prospect of slimmer profit margins, agencies both large and small realize the necessity of reexamining their operations. Higher labor and processing costs, and greater selling expense are but a few of the troubles ahead. Diminished profit margins will only stretch so far to absorb added cost. Even needed expansion is prohibited by lower retained earnings.

W. A. Alexander & Co. general agency of Chicago has made an initial thrust in ironing out selling and merchandising headaches by inaugurating what it terms its "broker evaluation program."

House 125 Brokers

Alexander & Co. houses approximately 125 brokers in its spacious new quarters at 135 South LaSalle street, Chicago. This sizable group of producers occupies nearly one quarter of the total functional area of the agency. Many of the top producers have secretaries and assistants. Exclusive of this help, the agency provides across-the-board services for the brokers. It has always had a close, personal relationship with its producers. Frequent production contests, special company gatherings, inter-office clubs, educational training and other features have helped to create an espirit. A brokers' committee, elected annually, provides direct liaison with management on matters of policy and assists in ironing out individual broker's problems.

Distinguished from this inside sales department, Alexander & Co. also has an outside sales department which handles agents and brokers accounts originating in Cook county and all other territories in Illinois, parts of Wisconsin, and Indiana.

Through the years a majority of the Chicago brokers have progressed in the normal way. Operating on averages, the norm has been more than satisfactory which has accounted for the growth of W. A. Alexander & Co. over its 72 years. But as management in recent years began to take a closer look at the by-products of good business, it concluded that business could be even better and that "averages" sometime become an unsatisfactory yardstick in measuring potentials.

Rearranged Procedures

On another front, Alexander & Co. set about rearranging its procedures and processing several years ago through the establishment of a personal risk division and a commercial risk division. This resulted from an awareness of the benefits in merchandising and marketing by type of customer rather than by traditional lines of insurance. This separation of risks into two classes took into consideration the fact that more and more lines are included in one package for a single insured. It was only logical, therefore, to operate by type of insured rather than by kind of insurance.

Just about the time that multiple line underwriting and multiple peril contracts sparked off the wisdom of departmentalizing in 1954, executives at Alexander & Co. were giving consideration to an over-all broker evaluation program. It was acknowledged that the transition would be some time in coming, but it was inevitable that the producer himself would be held to a personal accounting and be required to stand on his own feet.

Three Factors Considered

Wade Fetzer Jr., president, launched the program in a special meeting. At the outset it was decided that the key to a successful appraisal program would have to consist of three factors: Objectivity, uniformity and thoroughness. Much would depend, of course, upon the individuals selected to appraise individual brokers' performance. Also, it was decided that those chosen to pass final judgment should assist in developing the over-all plan. They should be close enough in day-to-day contacts to know and understand the individual broker and his work.

Among the multiplicity of things the agency hoped to accomplish were these:

—To compel management to do a better job of administration.

—To provide valuable information for future planning with regard to all personnel.

—To help determine traits which are most likely to lead to success—especially in the selection of new people.

—To point up areas needing improvement both with respect to personnel and management.

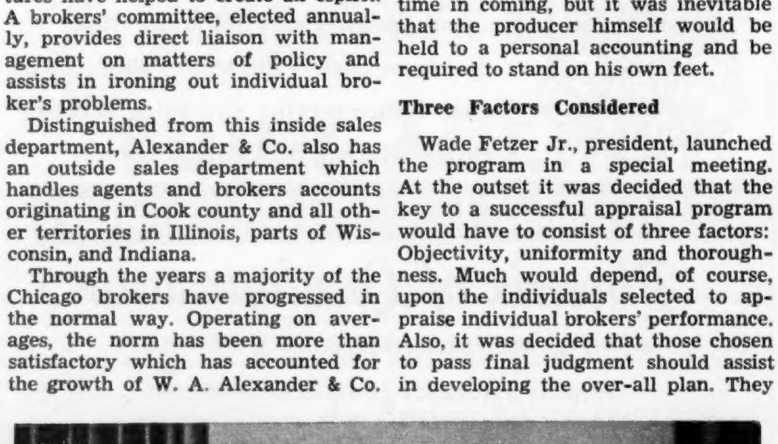
—To let the individual broker know where he stands, year-in-and-year-out.

—To provide the individual with concrete information in areas needing improvement.

—To keep really good people from being overloaded.

At the time the broker evaluation

(CONTINUED ON PAGE 44)



Chief officers of W. A. Alexander & Co.: From the left, John H. Sherman, executive vice-president; Roger Latham Jr., regional vice-president and manager at San Francisco; Wade Fetzer Jr., president, and Walter M. Sheldon, executive vice-president.

Agent Has Program For Improving His Own And Insurer Experience

Strained company-agent relationships would be eased considerably and a number of the troubles besetting the insurance business solved if the program of the John Roy Campbell agency of Harrison, Ark., were adopted generally. Several weeks ago Mr. Campbell sent the following letter to the presidents of the companies represented by his agency:

We are writing you this letter in order that you may know we are aware of the poor results that fire and casualty companies have been having in the last two years. We sympathize with their position 100%. We are doing everything we can to improve the picture from this agency and felt a letter, setting out some of the moves being made, would be appreciated. (Most of the companies in our agency made money we might say.)

1. We are reviewing every renewal each month and contacting our insured for insurance to value. This is paying off both for the company and us.

2. We are becoming more restrictive in our underwriting, especially on automobile.

3. We do not accept class 2C business without collateral for the company. On 2A, we insist on all cars in the family, too.

4. We are reviewing our accounts receivable twice a month now instead of once.

5. We are attempting to cut down on the "fringe" claims.

6. We have doubled our advertising budget.

7. We are trying to accommodate the companies that accommodate us.

8. We attempt to let one company have an entire account so it may be more profitable.

Eyes "Profit" On Fire Underwriting

Joshua K. Shepherd, Little Rock general agent who operates in the fire business in Arkansas, comments on fire insurance underwriting profit:

It is sometimes erroneously claimed that on premiums paid by policyholders there is a significant investment earning that should be included as a factor in calculating underwriting profit. A quick way to show the fallacy of that argument is to note that most capital stock fire insurance companies could reinsure their outstanding liability (at a cost of 60% of their reserve for unearned premiums) and yet have little, if any, reduction in the amount of earning investments. Also, operating only as an investment trust, they would need have less of their funds in cash and highly liquid securities, required of insurers because of possible catastrophe losses, and thus they could build up their investment returns by increasing the volume of higher dividend and higher interest payers.

Most of the unearned premium fund might properly be said to be invested in cash in banks, premiums owing by insured and agents, and equipment required for doing of the business of insurance, and the balance, if there be any, must be in the highly liquid, low-interest return securities.

No Significant Investment Profit

There is no significant investment profit to be gained from premiums paid in advance of expiration of fire insurance policies. Such premium dollars only replace, or partially replace, those previously supplied from stockholders funds to get and to service such contracts.

The mirage of imaginary investment profit from underwriting has occasionally led even some insurance company managers to err on the side of too-liberal acceptance of high loss-ratio business.

The problems and conditions of recent experience which now engage the earnest attention of the business of insurance underwriting are teachers of sound lessons from which we may gain benefits in future guidance.

Suggests Tax Deduction For Auto Premiums

Sen. Warren Gill, candidate for Oregon governor, would ask for legislation permitting Oregonians to take as income tax deduction the amount they pay for public liability and property damage insurance on motor vehicles. He said one purpose of the motor vehicle insurance deduction would be to encourage the public to carry adequate liability insurance on their cars.

To Hold Agents' Short Course

An agents' short course sponsored by Georgia 1752 Club will be held at University of Georgia at Athens, April 8-9.

Insurers To Act On Auto Rates In Utah

After Utah for the second time turned down auto rate increase applications by National Bureau of Casualty Underwriters and National Automobile Underwriters Assn., the two rating bureaus applied to the courts for a writ to authorize the use of the revised rates as of Feb. 27. The court was unwilling to act without a hearing, and this was set for March 7.

Commissioner Buckwell disapproved the Utah revisions following a hearing conducted by the public service commission, at which the commissioner questioned R. C. Arnberger of NAUA, San Francisco, and James M. Cahill of National Bureau on the practice of pro-rating expenses nationally though losses are assessed against each state and each territory. They also made much of the point that the incurred losses for 1957 are not fully reflected in the filings.

Mr. Buckwell originally approved the 1.7% increase, statewide, for NAUA, and 13.8% for National Bureau, but just prior to the effective date the attorney general pronounced the increases illegal because the filings had not been open to public inspection. The two bureaus, at the request of the insurance department, refiled, with a new effective date, and a hearing set. Mr. Cahill and Mr. Arnberger put in data at the hearing to show that past experience thoroughly justified the increases asked.

Interstate F.&C. Shows Underwriting Profit

Interstate Fire & Casualty has reported its best year in 1957. Premiums rose to a new high of $3,378,419, an increase of more than 27% over 1956. Underwriting profit was $54,245, representing an improvement over the preceding year when a loss of $17,404 was developed. Assets were $3,656,293, up $1,218,655. Policyholders surplus came to $829,961, also a new high. A sale of 20,000 additional shares of common stock has recently been completed, adding $200,000 to capital and $220,000 to surplus. Geo. F. Brown & Sons, Chicago, is manager for the company.

Employers Casualty Names Four Officers

Employers Casualty has appointed J. R. Jones, Claude Pipes, and O. V. McDonald as assistant secretaries and J. S. Pieringer Jr. as assistant treasurer.

Mr. Jones, with the company 27 years, has been director of procedures and research, and Mr. Pipes, director of organizational planning, has been with Employers Casualty 18 years. Mr. McDonald joined the company in 1947 and has been director of market research, and Mr. Pieringer joined the company the first of this year as director of processing research.

New Officers At San Antonio

San Antonio Assn. of A&H Underwriters has elected O. J. Stevenson, Guardian Life, president; L. E. Cornelison, Old National, vice-president; Ray Stanley, secretary-treasurer.

Jann Retires After 49 Years

Herbert J. Jann, vice-president and secretary of Protection Mutual Fire, has retired after 49 years with the company. He began as an office boy in 1909 and subsequently became an underwriter. He was named secretary in 1926 and vice-president in 1935. During World War II, Mr. Jann held all three posts of vice-president, assistant-treasurer and secretary. Mr. Jann was presented with a watch at a testimonial dinner given by his associates. His son, Robert F., is with Great American at Chicago.

Ehrlich In Midwest Post For Swiss General

Oscar N. Ehrlich has joined Switzerland General as assistant manager in charge of nine midwestern states with headquarters at Chicago. The Innis Corp. of Kansas City is mid-continent manager of Switzerland General.

Mr. Ehrlich, who will be in charge of Michigan, Ohio, Indiana, Kentucky, Tennessee, Iowa, Minnesota, Wisconsin, and Illinois, for five years has been Illinois state agent of Pacific National. Before that he was for five years Illinois state agent of Kansas City F.&M., and before that was for eight years with National Inspection.

The Innis Corp. has moved to a new office building at 2 East 33rd street in Kansas City.

Insurer President Urges Junking Of Compulsory Auto Law In New York

Milton L. Baier, president of Merchants Mutual of Buffalo, in a letter to all New York agents of that company, writes that the worst fears of those who opposed compulsory auto in New York have been confirmed by the introduction in the legislature there of an unsatisfied judgment fund bill which would extend the basic error of compulsory.

Even worse, he writes, "a bill to establish a state fund to provide automobile liability insurance is already widely talked of and hangs in the background of all consideration of the automobile rate mess like a vulture waiting to pounce."

Mr. Baier labeled UJF and extension of State Fund authority to write auto liability socialistic and paternalistic. Alternatively he proposes a four point program—to repeal compulsory auto in New York, restore the financial responsibility law as revised in New Hampshire last year, support of the citizens' committee on traffic law revision, and adopt in New York the type of motor vehicle laws in effect in Connecticut, where speeding convictions bring license suspension and revocation.

"A bad situation stemming directly from the enactment of compulsory insurance is being worse compounded day by day," he declared. "The quicker we get rid of compulsory insurance the better off we and all of the people of our (New York) state will be."

Hoy, George Promoted By Western Fire & Indemnity

Western Fire & Indemnity has transferred Melvin D. George, resident vice-president at Houston, to the home office as fire and inland marine underwriting manager, and has promoted F. H. Hoy to assistant vice-president in charge of casualty underwriting.

Mr. Hoy has been with the company since 1955 and has been manager of the casualty department.

Addresses Grand Rapids Board

Urban M. Lelli, secretary of Phoenix of Hartford at Chicago, addressed Grand Rapids Assn. of Insurance Agents on "An Organized Selling Program."

Fireman's Fund has moved its Salt Lake City office to a new building at 641 East South Temple street. The office is managed by James L. Kirschbaum.

American Re 1957 Results Favorable

Edward L. Mulvehill, president of American Re, reported to stockholders satisfactory underwriting results for 1957.

Policyholders surplus, including a voluntary reserve of $4 million, was $25,012,647, down from $26,391,497 at the end of 1956. Premiums written amounted to $36,154,216, a record high and an increase of $2,712,947. After increasing unearned premium reserve by $1,985,050, the company had an underwriting loss of $89,856 compared with a loss of $158,118 the previous year.

The earned loss ratio for the year was 56.7% with a written expense ratio of 41.2%, for a combined experience of 97.9%.

Investment income, less administration expense of the investment department, reached $2,365,735, a 15.2% gain over 1956 and a record high. Assets rose $2,391,343 to $92,542,633, a new high.

Editorial Comment

Defrauding Of Insurers Is Widespread

Several organized defraudments of insurance companies have been disclosed in recent weeks with news of grand jury action—at Pittsburgh, Miami, Youngstown, and elsewhere; and hearings in Boston point pretty plainly to the fact that many individual insured do not hesitate about overstating auto claims under compulsory.

In Youngstown, an adjuster of American group, charged with defrauding the company of $250,000, was quoted in the newspapers as stating that he never cheated on his $100 a week salary or his expenses but that he was "just like everybody else because nobody ever cares about defrauding an insurance company."

In Boston, the weekly Catholic papaper, the *Pilot*, commenting on testimony before a special commission investigating compulsory auto in Massachusetts, states that "it is plainly evident that many fraudulent claims are being made against the insurance companies by supposedly respectable people. This affects the insurance rates, of course, but even more seriously it affects the moral climate of the community.

"From every point of view it seems inexplicable that even religious people who feel themselves bound by ethical standards can be a party to openly dishonest operations on insurance claims. For some strange reason, however, it is always open season for misrepresentation in this area. How often have we heard it said that you have to claim more than the damage allowed so that in the end you 'break even'?"

What disturbs the *Pilot* is the action of "honest" people, who would never be involved in open violation of the law, but who show no unwillingness to misrepresent an insurance claim. For some reason such people feel it is perfectly permissible to steal from insurers. The paper would like to know if this is because it is easy to sue the company, because the claim is relatively small and investigation unlikely, because it is so clandestine as to be probably unnoticed, or because it is so impersonal?

Some people excuse this type of action, according to the *Pilot*, on the grounds that insurers are fabulously rich anyway, "and besides we have been paying premiums for years without getting anything back."

"But even if the insurance companies were rich as Croesus, no one has a right to dip dishonestly into their funds, and the man who pays his premium gets his protection. To mulct the companies merely because they happen to pay readily and happen to presume honesty is openly immoral," the paper declares.

Excessive claims have seriously increased insurance rates for all, *The Pilot* points out. Everyone in the community pays for the dishonesty of the few unscrupulous ones. The moral self-deception of excusing dishonesty by saying it is the right thing to do is beyond endurance, "for it strikes at the core of the spiritual strength of the community." The paper recommends correction of this social blight by a personal decision in favor of simple honesty.—K.O.F.

Personals

Dudley F. Giberson, executive partner of the agency bearing his name at Alton, Ill., was awarded the Silver Beaver at the annual appreciation banquet of the Pisa Bird Boy Scout council there for his 22 continuous years service on the council board and for service to his community.

E. Kearney Dietz, executive secretary of Insurors of Tennessee, was presented the Little Rock Jaycees' distinguished service award for 1957. Mr. Dietz, who formerly resided in Little Rock and was manager of Arkansas Assn. of Insurance Agents, was a vice-president of the junior chamber of commerce there.

Virginia Beach Junior Chamber of Commerce has selected **Sidney S. Kellam** as the community's first citizen. He is with the Kellam & Eaton agency there. The honor was awarded for outstanding service to the local community, to the Tidewater area and to the state.

Edwin A. G. Manton, president of American International Underwriters, was feted on his 25th anniversary with the company at a luncheon given in his honor by Cornelius V. Starr, founder and chairman of AIU. Mr. Starr presented Mr. Manton with an antique silver coffee urn on a silver tray, suitably inscribed, a congratulatory message personally signed by 446 employes of the organization's New York headquarters. Mr. Manton has been president since 1943.

Joseph V. Gosline Sr. vice-president of Reliance, was feted at a luncheon on his retirement. He was formerly president of Eureka and went to Reliance when that company was purchased.

Deaths

MRS. DORA H. TUERK, 61, wife of Henry F. Tuerk, retired Illinois state agent of Millers National and Illinois Fire, died at Tampa. She and Mr. Tuerk had been making their home in Florida since his retirement two years ago.

ARTHUR H. UMENHOFER, 61, vice-president of Engelhard-Krogman & Co. agency, Chicago, died of a heart attack at Augustana hospital. He had been with the agency 27 years.

JOSHUA E. RUTHERFORD, 79, died of a heart attack at Harrisburg, Pa. He retired last fall as treasurer of Pennsylvania Threshermen's & Farmers' Mutual. He had been with the insurer since 1933, when he joined its staff as an auditor. He was also a director.

HAROLD JUNKER, 71, who retired as chairman of Crum & Forster in May, 1956, died suddenly in the Beekman-Downtown hospital, New York.

Mr. Junker started with Crum & Forster as an office boy in the underwriting department in 1902. During the intervening years, he was progressively assistant manager of the western department in Freeport, Ill., manager of the Pacific coast department in San Francisco, and vice-president in charge of nationwide underwriting and production. He was elected a director of Crum & Forster in 1932 and continued as a director until his death. He became president in 1951 and chairman in 1954.

HAROLD JUNKER

Mr. Junker was also vice-president and chairman of U. S. Fire, North River, Westchester Fire, and International and was a director of these companies at his death.

EDMUND B. WHITTAKER, 55, vice-president in charge of Prudential's group insurance department and one of the foremost authorities on group insurance and employe welfare plans, died at Orange, N. J., Memorial hospital following an illness of two months. Mr. Whittaker was born in Cambridge, England, the son of the late Sir Edmund T. Whittaker, for many years professor of mathematics at University of Edinburgh. After serving as an actuarial apprentice at the Scottish widows fund in Edinburgh, Mr. Whittaker came to the United States in 1926 and was for three years in New York Life's actuarial department before joining Prudential as a mathematician. After reorganizing Prudential's entire group setup, he was in 1946 named vice-president in charge of the newly formed group insurance department. He was a fellow of Faculty of Actuaries of Scotland and of Society of Actuaries.

HOWARD W. WILLIAMS, 73, head of the Williams agency, Cleveland, died in Lakeside hospital there. He went to Cleveland as a newspaper reporter in 1908 and founded his insurance business in 1911.

THOMAS J. LEE, 67, agent at Little Rock, died there, of a heart attack. He had been a long-time resident of Merigold, Miss., before going to Arkansas eight years ago.

JOHN R. MAY, president of Pioneer Agency of Minneapolis, died after a brief illness in St. Lukes hospital, St. Paul.

Milwaukee Assn. of Insurance Agents has moved to 611 North Broadway. The association will observe Insurance Day on April 9.

The NATIONAL UNDERWRITER

ABC — *The National Weekly Newspaper of Fire and Casualty Insurance*

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CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

LOS ANGELES 66, CAL.—11326 Kingsland St., Tel. TExas 0-8159. E. C. Faris, Associate Pacific Coast Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

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Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

AIU Elects Four In Executive Shifts

American International Underwriters has elected Alfred Weber, treasurer and secretary, vice-president to head a new department which will supervise world wide automobile underwriting—both liability and direct damage.

Mr. Weber, who joined AIU in 1931 has had extensive experience in underwriting and the financial end of the business. He headed fire and automobile underwriting of AIU in Latin America before he became treasurer in 1951.

Replacing Mr. Weber as treasurer is Harry F. Tyndall, who joined the accounting department in 1939. Mr. Tyndall also serves as assistant secretary. Before joining AIU he was with First National City Bank of New York and Burroughs Adding Machine Co.

Peter C. Paris, assistant secretary, was elected secretary in Mr. Weber's place. He has been in financial work for over 30 years, the last 10 with AIU.

Arthur F. Redmond was elected controller and assistant treasurer. He has been with AIU since 1948. He was formerly with the Federal Bureau of Investigation.

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Child Under Seven Held To Be Free Of Negligence

In a 5-2 opinion, the North Carolina supreme court has held that a child under seven is not capable of contributory negligence in his own accidental death. It was the first decision in the state on the question.

Joe W. Walston sued Richard Greene in the traffic death of Leon Walston, six. Damages were denied in the superior court on a finding of contributory negligence.

The supreme court majority opinion said the trial judge erred in submitting this issue to the jury because a child under seven "lacks the discretion, judgment and mental capacity to discern and appreciate the circumstances of danger."

In the dissent, Justice Rodman said he could not agree that "under no circumstances" could a child of six be held responsible.

"The fallacy is, I think, illustrated in our public schools," he said. He explained that there are approximately 110,000 first grade pupils, six years old, who travel to school by various means 180 days a year.

"The paucity of casualties resulting therefrom demonstrates, I think, that those children have more intelligence and judgment than the decision in this case accords them," Judge Rodman said.

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Stocks

By H. W. Cornelisu, Bacon, Whipple & Co., 135 S LaSalle St. Chicago, March 11, 1958

	Bid	Asked
Aetna Casualty	136	140
Aetna Fire	57	58½
Aetna Life	190	195
Agricultural	26¾	28
American Equitable	32	33½
American (N. J.)	24¼	25½
American Motorists	10¼	11¼
American Surety	16½	17½
Boston	30½	31½
Camden Fire	29¾	31
Continental Casualty	78	80
Crum & Forster com.	51½	53½
Federal	39¾	41
Fireman's Fund	55	56½
General Reinsurance	52	54
Glens Falls	28	29
Globe & Republic	16½	17½
Great American Fire	33¼	34½
Hartford Fire	159	162
Hanover Fire	38¾	40
Home (N. Y.)	40½	42
Ins. Co. of No. America	99½	102
Maryland Casualty	36	37½
Mass Bonding	32¾	34
National Fire	78½	80
National Union	34	35
New Amsterdam Cas.	43	44½
New Hampshire	40	42
North River	33½	35
Ohio Casualty	21½	23
Phoenix Con..	65	66½
Prov. Wash.	16	17
Reinsurance Corp of N.Y.	13¾	15
Reliance	40	41½
St Paul F. & M.	47	48½
Springfield F. & M.	49	51
Standard Accident	46	47½
Travelers	79¾	81
U.S.F.&G.	65½	67
U. S. Fire	24½	25½

Cal. Agents Threaten To Sue Their Principals Over Commission Cuts

(CONTINUED FROM PAGE 1)

discussion, the agents "considered the problem of sufficient gravity to warrant engagement of the nation's foremost legal authority on anti-trust matters."

The quotations are from the statement of California Assn. of Insurance Agents in announcing their astonishing decision.

Commissioner McConnell of California, giving the welcoming address to the annual meeting of Fire Underwriters Assn. of the Pacific, digressed to refer obviously but not specifically to the agents' activities. He denied emphatically that there had been any action in concert despite allegations of any producers' organizations or "headline hunters" that there was such action. He added that an attorney not acquainted with insurance could not grasp the background and ramifications in the rate making processes, but when such factors are understood it is evident that there is no basis for court action.

Denying that any coercion has existed in commission reductions, Mr. McConnell said every producer in California can contract directly with his companies on the matter of commissions. Commissions, he added, are not adaptable to price-fixing between companies.

Allegations Not In Public Interest

Allegations that there has been action in concert "are not in the public interest," Mr. McConnell declared, saying he will use the powers of his office to prevent this issue from becoming the subject of a court action.

A news representative of THE NATIONAL UNDERWRITER who attempted late last week to obtain statements from company executives on the Pacific coast, found management too flabbergasted by developments to comment.

It was quietly pointed out that most of the agency contracts, which are signed by the agent, provide in substance that commissions may be modified to conform with the underwriting and commission program of the company and by the company giving written notice thereof.

The commission reductions in California have varied from company to company. The National Bureau California automobile rate revisions, recently approved, call for a five point reduction in the acquisition expense. A number of companies have taken action to reduce commissions, some putting all the pressure on class 2, others across the board, and others on the liability lines only. Some of the reductions apply only to California, but for some companies they apply on the entire coast or across the U. S.

Eriksen Retires, Doane Heads U. S. A.

Peter Eriksen, after a career of 45 years in the insurance business, on advice of his doctors, is retiring March

E. H. Doane Jr.

Peter Eriksen

31 as manager of Underwriters Service Association in Chicago. He will be succeeded by Ellis H. Doane Jr., who has been groomed for the top job and who has been a U. S. A. man for 15 years.

Mr. Doane is a graduate of Illinois Tech and began his insurance career with Lumbermens & Manufacturers Mutuals agency. For seven years he was a field man and engineer with Western Sprinklered Risk Association, and then in 1943 joined U. S. A., becoming assistant manager in 1948. Mr. Doane is a charter member of Society of Fire Protection Engineers and is a member of Western Conference of Special Risk Underwriters and Chicago Buckeye Club.

Mr. Eriksen started his insurance career with the Western Factory Association. After four years he joined Great American, and in 1917 he went with U. S. A. when William G. Sanderson was manager. Mr. Eriksen was made assistant manager in 1921 and associate manager in 1947. He succeeded Benjamin Richards as manager in 1948.

Mr. Eriksen has served two terms as president of the former Insurance Club of Chicago, and is a member of Western Conference of Special Risk Underwriters and is a former instructer of Dale Carnegie Institute.

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John B. Owen, president of Central Mutual Casualty of Kansas City, has been elected president of Mid-America F. & M. of Kansas City.

Accident & Sickness

Labor Leaders State Goals For Blue Cross

To stop Blue Cross rate increases, have employers pay the full premium, an Indiana labor leader has suggested. "Full payment of insurance premiums by the company is part of our current negotiation," Harry Altmeyer, acting president of United Auto Workers AFL-CIO at the Allison, Ind., division of General Motors, revealed in a newspaper interview. "If we succeed in getting the corporation to pay the full premiums, their influence will keep the costs down."

James Robb, district director of United Steel Workers said in the same article that his union is negotiating to have companies pay Blue Cross premiums on retired persons as well as all the premium on workers. American Can and Continental Can already pay the full cost, he reported.

Jacob Roberts, president of AFL central labor union predicted that "if the cost of medical care becomes prohibitive, the government will step in with a government health and welfare plan. That's the purpose of government, to serve the people when private industry cannot do the job."

First 30 Seconds Of Sales Talk Are Precious

The first 30 seconds of the sales presentation determine the result of the interview, S. L. Horman, vice-president and agency director of Time of Milwaukee, told members of Chicago A&H Assn. at their February meeting.

Describing ways to get the most of these precious 30 seconds, Mr. Horman said the agent must capture his prospect's undivided attention. This he can do by starting off with a challenging question or statement. He said the agent must get quickly to the point and forget about such introductory conversation trivia as the weather and ball scores. The agent must aim at his prospect's self-interest. He must point out the demonstrable difference between his product and others on the market. After demonstrating his product, he must clarify what he had been trying to get across. Then he must prove his product by showing cases in which A&S is at work, paying a disabled policyholder and enabling him to survive. The entire presentation requires a polished continuity throughout, he said.

"You have every right to assume he is going to buy if you have done all these things," Mr. Horman declared.

"Selling is America's most typical institution," he said. "We should be proud . . . of being a professional salesman." The agent's technical competence and his attitude toward his business make the difference between success and failure, he concluded.

Ill. Mutual L.&C. Names Two Field Supervisors

Illinois Mutual Life & Casualty of Peoria has appointed Lewis N. Rowe as field supervisor for Nebraska and Fred L. Fister in the same capacity in northwestern Ohio.

Mr. Rowe has been a manager of the life and A&S department of Marcotte agency in Omaha, and Mr. Fister of Columbus has had 15 years of sales experience in various fields. He was a special agent for life and A&S with Prudential prior to joining Illinois Mutual.

Unions Hit Blue Cross At Indiana Hearings

A public hearing held recently by the Indiana legislative committee investigating hospitalization developed into a forum on Blue Cross.

Billed as an opportunity to present complaints about hospitalization insurance operations, the afternoon session was devoted almost entirely to prepared statements on the Blue plans by union leaders, including a threat to get enough proxies to put CIO on the Blue Cross board. The evening session was occupied mostly with Blue Cross attempts to answer union criticism. Only four individual complainants were heard during the four hours of hearing.

First to speak at the afternoon session was Dallas Sells, state CIO director, who estimated Hoosiers spend $218 million a year on hospital and medical services. Costs have been driven up by abuses, he claimed, particularly by doctors who think that insurance means increased ability to pay. Mr. Sells recommended hospital committees to screen admissions, extension of Blue plan benefits to outpatient care, and elimination of interlocking hospital-Blue Cross directorships.

The next speaker was Max Brydebthal, Indianapolis CIO industrial union council, who said that signing a Blue Cross application is also automatically signing a "lifetime proxy" to the company's board. He warned that the CIO might decide to have union members cancel their proxies and elect union representatives to the board.

James Lavender, AFL-CIO Madison county council, complained that union members are being victimized at St. John's hospital, Anderson, Ind., where doctors are sometimes not available for 24 hours and Blue Cross refuses to pay the claim because no licensed doctor has been in attendance.

Objects To Deductible

Final speaker was Jerome Pollack, UAW social security department, Detroit, who read a statement mostly objecting to deductible hospitalization coverage and experience rating. Rep. Grattan Downey, committee member, at a previous meeting of the investigating committee had proposed the deductible plan as a possible solution to mounting Blue Cross rates, and the Indiana commissioner is requiring Blue Cross to use experience rating in lieu of a requested across-the-board increase.

Mr. Pollack claimed deductible would put the burden of high costs on patients whereas the high costs are the fault of doctors and hospitals. There is no independent review of hospital costs, he pointed out, and one study showed faulty use of hospitals in one-third of the cases and one-fifth of the costs. Moreover, he contended, experience rating would push premiums out of reach of certain groups, particularly the elderly. He recommended that the committee should request Congress to put hospitalization benefits into social security. Deductibles are all right, he added, if they are voluntary and not forced into hospitalization insurance by law.

At the close of Mr. Pollack's statement, Rep. Downey pointed out that he never contended that everyone should be forced to take deductible but merely that it should be offered as an alternative to increased rates for those who wanted to take it. He asked if deductibles would be acceptable to Mr. Pollack under those conditions. Despite his earlier statement that voluntary deductibles were satisfactory, Mr. Pollack would not commit himself unqualifiedly.

At the evening session, Blue Cross officials attempted to answer charges leveled against it by the unions. Albert Stump, attorney for Blue Cross, answered part of the charges, and Lloyd Banks, enrollment director, took part in a question and answer free-for-all.

Sen. J. Russell Townsend, committee chairman, stated that he expected to hold no more public hearings, but his committee would continue to gather information on hospitalization insurance for its final report and recommendations to the legislative advisory council in September.

Palmer Asked To Cut Blue Cross Experience Rate Group Size In Ind.

The Indiana legislative committee investigating hospitalization insurance in the state has indicated to Commissioner Alden Palmer that it feels that he should require Blue Cross to apply experience rating to all groups of 50 or more lives as contrasted to the 100 or more he had previously set.

Early this year, Blue Cross in Indiana applied for across-the-board rate increases. Under Indiana law, the department does not reveal the amount of a requested increase until approved. The exact percentage increase requested was never made public, although Indianapolis newspapers estimated it as from 20 to 30%.

Palmer subsequently approved a 10% increase, which Blue Cross claimed was insufficient. He therefore gave them the alternative of setting rates by experience rating on all groups of 100 or more insured.

"We feel there are so few 100-or-more groups in the state that the majority of those covered by Blue Cross will wind up in a catch-all rating group," State Senator J. Russell Townsend, chairman of the investigating committee declared. "While we have made no formal request, we have indicated to the commissioner that we feel his rule should be changed so that experience rating is applied to all groups of 50 or more."

New Illinois A&H Group Holds First Meeting

Fox Valley Assn. of A&H Underwriters held its first meeting recently in St. Charles, Ill. Ray Carpenter, Mutual Benefit H.&A., Aurora, has been temporary chairman and Mrs. Margaret Giffin, general agent, Aurora, temporary secretary-treasurer. Henry Truemper, Mutual of New York, heads a nominating committee to slate offices for election. Formal chartering ceremonies will be held April 10.

The association, which will affiliate with the state and international A&H groups, will carry out a program of public relations with residents and with hospitals and doctors in the Fox River area.

Speaker at the first meeting was Jay DeYoung, Oak Park, Ill., controller of the international association.

Addresses St. Louis A&H Men

Gibson Wright, A&H general agent of Continental Casualty at Eau Claire, Wis., spoke on "Sales Angles" at the February meeting of St. Louis A&H Underwriters Assn.

Hear Talk On Risks Of Neurotic Disability

Psychoneurotics as a class form one of the greatest disability risks under income protection plans, Dr. Andrew J. Oberlander, Prudential medical director at the Chicago regional home office, told members of Illinois A&S Underwriters Forum at the February meeting.

The largest group of disabilities known to medicine, psychoneurotics fall into several categories. These include patients who are effected emotionally by an organic disease, others whose organic condition may be produced by emotional stress, another group with complaints which are purely emotional in nature, who may be suffering genuine pain even though there is nothing organically wrong, and accident-prones.

One major factor in disability is how a person reacts to the disease he may have, Dr. Oberlander said. Anxiety and fear may hinder the patient's recovery, while a positive attitude may hasten recovery and shorten disability. Anxiety over loss of a job, death in the family or some other factor may also bring about disability. In addition, he said, there are those who in time of recession or depression, may find it economically advantageous to file a disability claim under an income protection plan rather than look for another job.

60% Of Patients Are Neurotic

History of psychoneurosis in an applicant, however, should not be the sole basis for rejection by the underwriter, Dr. Oberlander stated. "We can't reject 60% of the people in the country," he said, pointing out that this percentage of any doctor's patients suffer from some form of psychoneurosis. "We must use good common sense to distinguish between the real psychotics and those who are merely suffering from some form of anxiety."

Cures can be expected in 75% to 80% of cases, because the patient adjusts to his anxiety, although there is a tendency for the problem to recur under new stress, Dr. Oberlander pointed out. It is usually safe to approve many of these applications unless there is a history of hospitalization, he added.

Next meeting of the association will be held March 19 at Michael Reese hospital, Chicago. Dr. Bert Levin, chief radiologist at the hospital, will discuss problems involving applicants with a history of intestinal tract disorders.

Milwaukee A&H Agents Hear Bennett On Key Man

Selling business and key man insurance was discussed by Earle R. Bennett, Tampa, president of International Assn. of A&H Underwriters, at the monthly meeting of Milwaukee A&H Underwriters Assn.

Mr. Bennett said disability of key men in a business organization through illness or accident represents one of the most serious expense threats to employers, who find themselves in a position of moral obligation to continue the men's pay. During their business lives, 80% of all employes are disabled at least once for a period of more than three months. As many as 280 million work days have been lost because of accidents in a single year, he said.

Howard D. Thornig, formerly A&H manager of Continental Casualty's Wisconsin office, has been named A&H manager of the Gottschalk agency, Milwaukee.

News Of Field Men

Elect Karlquist MLG Of Minnesota Pond

T. T. Karlquist, Royal-Globe, was elected most loyal gander of the Minnesota pond at the annual meeting in Minneapolis.

Other new pond officers are: Herbert E. Smith, Commercial Union, supervisor; Paul A. Thomas, Hanover, custodian; W. L. Holm, Crum & Forster, guardian; Walter W. Ayrault, keeper; and Andrew L. Phillips, American, wielder.

H. W. Houd is retiring MLG.

New Denver Manager, N. M. Field For Security-Conn.

Security-Connecticut group has appointed William Klein manager at Denver. A new field office has been opened in Albuquerque under Harry Crawford, state agent. The New Mexico territory continues under Denver supervision. The Denver branch, which serves Colorado, New Mexico and Wyoming, will report to the Pacific Coast department. C. A. Brough, secretary and Pacific Coast general manager, is responsible for production in the Denver branch.

Mr. Klein began in insurance as a local agent in Albuquerque. He joined Pacific National in 1952 as state agent in New Mexico and later became manager in Denver.

Mr. Crawford spent several years in the local agency business and then served as state agent in New Mexico for National Fire and later for Pacific National. He is a past president of New Mexico Fire Underwriters Assn.

Tenn. Caravan To Start April 15 At Dyersburg

Tennessee Insurance Caravan sponsored by Tennessee Fire Underwriters Assn. is scheduled to start rolling April 15 at Dyersburg. Other towns visited will be Jackson, Nashville, Johnson City, Knoxville, and Chattanooga. The educational seminar will meet for one day at each town, and under discussion will be various policies and coverages as well as current problems in the industry.

Paramount Appoints Two At Denver, One In Ore.

Paramount Fire has named Ralph E. Swan state agent for Oregon, Richard W. Hughes special agent for all lines at Denver and Elmer L. Stebbins manager at Denver. Mr. Stebbins was previously in charge of casualty facilities for the Rocky Mountain area, and Mr. Hughes has been safety engineer and payroll auditor.

Fund Names DiGirolamo Ocean Marine Special

Fireman's Fund has appointed Robert J. DiGirolamo special agent in the ocean marine department at Atlanta. He has been in the underwriting and loss divisions of the Fund's eastern marine department in New York.

St. Paul F.&M. Promotes

Advanced from special agent to state agent by St. Paul F.&M. are John A. Hill, Wichita, Reuben E. Larkin Jr., Omaha, W. Bruce Mitchell, North Platte, and Gordon L. Fransen and M. J. Herod, Oklahoma City. Gordon D. Gorney has been transferred from Oklahoma City to Tulsa.

Sponsler To Toledo

Aetna Fire has transferred Special Agent Glen L. Sponsler Jr. to Toledo from Columbus, O. He will work with State Agent J. M. Westerfield. Mr. Sponsler attended Aetna's multiple line field training school at Hartford, and worked in the company's Park Ridge, Ill., underwriting department for several years before entering field work.

Austin To Ga., Lassen To N. C., And Goddard To Tex. For Aetna Fire Group

David Austin, special agent in Winston Salem, N. C., has been promoted to associate state agent in Georgia of Aetna Fire group. Special Agent Edward J. Lassen will succeed Mr. Austin in charge at Winston Salem, and Special Agent John R. Goddard II will succeed Mr. Lassen's place in San Antonio.

Mr. Austin joined Aetna Fire in 1954 as special agent in Winston Salem. He will be associated with State Agent Tyree McD. Almond at Atlanta.

Mr. Lassen joined Aetna Fire at the home office. He was graduated from the company's multiple line training school after working in various underwriting departments and was appointed a special agent in San Antonio in 1952.

Mr. Goddard joined Aetna Fire in 1955, trained in several departments and completed the multiple line school. He was appointed a special agent in Dallas in 1956. He will be associated with Manager Thomas Holleran in his new assignment.

Reliance Opens Field In Western New York

Reliance has established a new production field in western New York, comprising the counties of Allegany, Cattaraugus, Chautauqua, Erie, Genessee, Niagara, Orleans and Wyoming. Henry G. Stiehler has been appointed state agent for the new field with headquarters at the company's Rochester field office.

Miller Nebraska State Agent Of North British

John E. Miller has been named state agent for North British in Nebraska, succeeding Clinton L. Duckworth, resigned. He will have headquarters in the Omaha National Bank building.

Mr. Miller has been state agent for the group in eastern Missouri and before that was an underwriter.

Hartford A.&I. Appoints Bergen W. Va. Special

Ronald E. Bergen has been appointed special agent of Hartford Accident in southern West Virginia. He will make his headquarters in Charleston, where he joined the company last year.

American Home Names Simonsen State Agent

Aage A. Simonsen has been named state agent for Massachusetts and Rhode Island by American Home and State of Pennsylvania.

He has been special agent in Boston and the north shore area for Home since 1946. He entered the business with that company in 1931.

Harper Joins Cincinnati

Cincinnati has appointed W. T. Harper state agent for northwestern Ohio, with headquarters in Bowling Green. Mr. Harper has been in the Ohio field for 13 years, first with Home and then with Employers Liability.

New Jersey Field Club Elects New Officers

At the annual meeting in Newark of the New Jersey Insurance Fieldmen's Assn., the following officers were elected: President, Robert E. Klie, Springfield F.&M.; vice-president, Henry C. Heilshorn, America Fore Loyalty group; secretary, John Y. Lambert Jr., Glens Falls group; treasurer, Dudley Groff Jr., New Hampshire group.

Ashley Joins Atlantic Mutual In Indiana

R. F. Ashley has joined Atlantic Mutual and Centennial as special agent in Indiana. He has been with Loyalty group in the state and has had local agency experience. He will work under Harry L. May, manager at Indianapolis.

Lentz Special In N. C.

The Johnson & Johnson general agency at Charleston, S. C., has appointed Robert L. Lentz special agent for North Carolina with headquarters at Greensboro.

Mr. Lentz was a local agent in Concord, N. C., and has seven years experience as a special agent, four with Loyalty group and three with Pacific National Fire.

National Union Names E. A. Snowden In Illinois

National Union has appointed E. A. Snowden state agent for central Illinois, replacing Gordon Casper who recently resigned. Mr. Snowden joined the company in 1955 as special agent in Nebraska.

Gallagher State Agent Of Agricultural In N. Y.

Agricultural has appointed John J. Gallagher state agent in the Albany, N. Y., territory. He previously was upstate New York field supervisor of Excelsior.

Gorman State Agent Of Reliance In Connecticut

William V. Gorman has been appointed state agent in Connecticut by Reliance, succeeding William A. Brodeur, resigned.

Mr. Gorman will have headquarters at New Haven.

McConnell Issues Rule To Clarify WC Dividends

(CONTINUED FROM PAGE 2)

code provisions which govern the subject and which specify certain kinds of documents or representations which are false or deceptive, and as to such documents prohibits the issuance or use as an inducement to insure or to continue or renew insurance any schedule or formula or policyholders' dividends to be paid in the future, with a proviso that this does not affect the right to use copies of approved policy and endorsement forms or of schedules or other documents showing policyholders' dividends previously actually paid to policyholders by any or all workmen's compensation insurers, with the further proviso that every document showing policyholders' dividends previously paid must show that it is of that character and not a representation as to future dividends; and as to false or deceptive representations expressly prohibits the use of any document or the making of any oral representation, as an inducement to insure or to continue or renew insurance, that an insurer has adopted or has agreed to adopt any policyholders' dividend, plan, formula or schedule which is or will become applicable to any WC policies thereafter to become effective or to be written, issued, continued or renewed. In this connection, the use of any such schedules, even though prefaced by conditional words such as anticipated, basic, contemplated, cost-plus, current, estimated, fixed cost, planned, tentative, are specified as being of a false or deceptive character under the statutes. The regulations also specify that no right to a policyholders' dividend or the use of any particular plan or schedule to determine whether any dividend shall be paid or the amount shall accrue unless and until the board of directors of the insurer shall have made the determinations required by these code sections and to have declared the dividends by resolution adopted after the expiration of the policy or policies affected.

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Stresses Importance Of Judgment, Competition

(CONTINUED FROM PAGE 2)

surance rates, rating systems, rating plans or practices.'

"With this as your guide, the answer becomes obvious—uniformity for the sake of uniformity is neither necessary nor desirable. . . . I will not again belabor the point that competition is the best regulator other than to say that the best solution will endure—the others will fall by the wayside."

Gives Reason for Caution

This note of caution was sounded, he said, because upon the total of such decisions the case for state regulation may be won or lost. He added that Victor R. Hansen, chief of the anti-trust division of the Department of Justice, recently adverted to some of the larger matters at issue when he said: "Recently there have been attempts in several states, either by proposed legislation or by state regulation to require complete uniformity in rates and forms . . . to the extent that the state imposes strict conformity upon the insurance industry and eliminates or greatly restricts the area for independent action in rates and methods of operations, to the extent the underlying purpose of the McCarran act . . . which is to preserve and protect healthy competition in the insurance industry . . . becomes undermined."

"There can be no mystery as to the states which Mr. Hansen had in mind," Mr. Kline declared.

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Stock Companies File Tax Memoranda

(CONTINUED FROM PAGE 2)

find that more than 25% of the stock insurance companies listed as members of NCIT . . . had net premium writings for 1956 of less than the $150,000 exemption contained in their tax proposal. In general, all of these companies would be relieved of paying any federal income taxes (under this proposal).

"In our opinion, this proposal, if enacted, would be so inequitable in its operation that it could only lead to a completely unsettled tax picture with a flood of proposed corrective amendments being submitted to Congress during the years following its passage."

Assn. of Casualty & Surety Companies' memorandum, submitted by Ray Murphy, general counsel, substantiates that of National Board.

"We believe that we should continue to be taxed on the same basis as companies of the same type, as well as business corporations generally, are taxed," Mr. Murphy's brief states. "We believe that the proposed tax formula if adopted would result in discriminatory taxation favorable to a limited number of companies seeking special advantage under the guise of 'tax equity.' This small number of companies is now taxed as our association members are taxed under present law on the basis of 'ability to pay,' and while presently they are not the beneficiaries of special treatment, neither are they the victims of unfair discrimination. We see no valid or compelling reason for changing the existing method of taxation of capital stock insurance companies."

N. Y. Warns Insurers Against Fronting For Unlicensed Companies

Deputy Superintendent Arthur F. Lamanda of the New York department has issued a bulletin to all authorized insurers warning them against fronting for unauthorized insurers. Mr. Lamanda reports that certain licensed insurers have issued or filed policies, bonds, or certificates for unauthorized insurers. This is, the department declares, a violation of the insurance law. Any authorized insurer which has been or is fronting or filing for an unauthorized insurer is directed to discontinue the activity immediately by the bulletin.

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Aetna Fire Promotes R. P. Wimmer at Houston

Robert P. Wimmer has been promoted to assistant manager at Houston by Aetna Fire group. For many years he specialized in all classes of marine business at the home office, and he has been marine superintendent in Houston for two years. He has been witn Aetna Fire since 1939.

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Peninsular Life To Form Unit For Industrial Fire

Directors of Peninsular Life of Jacksonville, Fla., have approved plans to form a wholly-owned subsidiary to write industrial fire insurance. The new company will be Peninsular Fire and will start operations about June 1 with a capitalization of $450,000.

Standard Of Ore. Amends Charter, Enters Property, Casualty Field

Standard of Oregon has amended its charter in order to write property and casualty lines. The company, which heretofore has operated only in the life field, has not announced plans for its new business.

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Chicago Insurance Buyers Elect

Chicago chapter of American Society of Insurance Management has named the following officers for 1958: Richard E. Blakley, Helene Curtis Industries, president; E. R. Zimmerman, American Bakeries Co., vice-president; Geoffrey J. Burns, Continental Illinois National Bank & Trust Co., treasurer, and Ann Auerbach, Goldblatt Bros., secretary.

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GAB Opens Tallulah, La., Office

General Adjustment Bureau has opened a branch office at Tallulah, La., to service the northeastern part of the state, and has appointed T. O. Bledsoe as manager. Mr. Bledsoe has been with GAB since 1951, and since 1953 has been attached to the Monroe, La., office.

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Donald B. Davidson Jr. has been appointed chief engineer of Meeker-Magner agency, Chicago. He entered the business with Illinois Inspection Bureau in 1951, joining Agricultural as field engineer in Indiana and Chicago in 1954.

FUAP Elects Bunting, Stresses Education Plans

(CONTINUED FROM PAGE 1)

Sacramento Valley special agent for Glens Falls.

The transition period of fire, casualty, inland marine and bond field representatives to a multiple line field man status is not over yet, according to Mr. Watkins. "I have talked to a few special agents who have just recently completed training in their San Francisco offices to qualify them as multiple line field men," he said. "Their training consisted primarily of working on the underwriting desk of the company. They said their training was not comprehensive enough nor was it long enough. One of the men spent two weeks in casualty. He was given a stack of daily reports to review for rate. He had never worked with a casualty manual before, and therefore he lost much time waiting for the underwriter to get off the phone or to finish talking with a broker to answer his questions. The two weeks of training was practically a total loss."

Mr. Watkins believes the present education facilities on the coast should be greatly expanded, with more scholarships and establishment of educational opportunities in colleges and universities.

Agents' education, he said, has been primarily self-education with the help of the field man personally, or through training in the east by the companies, or through organized activity at the association level.

"The majority of agents today have on their shelf the *Fire, Casualty & Surety Bulletins* or comparable reference material on a current basis. This is one source by which the agent is able to keep up with our changing business. They also have availed themselves of correspondence courses in our major cities of insurance education. This type of education alone is not the entire answer to rounding out the agent."

Field Man Essential

The field man is essential in helping and guiding the agent with self education, Mr. Watkins declared. Many agents are engaged in other lines of endeavor along with insurance and it is necessary to keep this type of agent well informed as to new coverages and ways of rating. Agents are realizing that they must be on their toes in order to meet competition and they are looking for the field man who will be of help to them in education, not to waste their time with small talk or entertainment.

He cited the effort of San Jose State College to establish an insurance course for agents and company personnel. "One class had an enrollment of 15 students. Of this group the majority was made up of the personnel of direct writers," he said, asking: "Why wasn't the class larger and why wasn't it made up of independent agents? It appears that the direct writers appreciate the opportunity for betterment, and are availing themselves of every chance. These are our competitors striving for knowledge. If we are to hold our position we must encourage our producers to take advantage of educational facilities that are offered."

Agents are assessing the value of company representation by the effectiveness of the field man, he continued. "In the company-agency partnership the field man may absorb just as much of his partner's time as may contribute to the knowledge of both. Perhaps the greatest amount of time can be saved by knowing the business. ....Of a week divided into office work, travel time and productive time, about 40% is spent with agents. Assuming a work week of 50 hours, the field man has but 20 hours in which to do his job. If any special agent or field representative hopes to accomplish much in 20 hours, he must plan well and execute to the best of his ability. Lack of proper knowledge only tends to slow the process down, adding a sense of frustration and hardly permits one to take pride in accomplishment."

As the opening speaker Wednesday morning Commissioner McConnell of California extended greetings and mentioned some of the problems confronting the business and the part the insurance department must play in maintaining stability without hindering progress.

"Trends in Casualty Decisions" were discussed by Harold Chase of the insurance law firm of Weinstock, Anderson, Maloney & Chase. Sidney Weinstock, senior member, was a former deputy insurance commissioner and the Maloney is the former California commissioner, J. R. Maloney.

A review of the stock market, as it pertains to insurance company stocks, was presented by Ivy Lee Jr., public relations director for Insurance Securities of Oakland, specialists in such securities.

Present Discussions

Discussions and actions taken at the recent conference on company and agency costs at Monterey Feb. 21-22 between representatives of the Pacific Board and California Assn. of Insurance Agents, was presented by Roger Chickering, president of the agents' association. It was at this meeting that the joint committee prepared a renewal notice plan which is designed to cut down the number of flat cancellations caused by a lack of proper pre-renewal solicitations. Mr. Chickering dwelt on this phase while touching upon other allied problems which the joint committee will consider as their activities broaden in the major objective of cutting and controlling costs.

Milford Bliss, engineer of the City of Los Angeles, presented colored slides and comments on landslides in his area.

Thursday morning was devoted to a panel presented by Insurance Personnel Managers with the subject "Personnel Administration and the Cost Factor." Members of the panel were Russell Archerd, Pearl; William Cobaugh, Fireman's Fund; William Fuente, Pacific Fire Rating Bureau, and Willard Gray, California State Automobile Association.

Final speaker was Preston H. Kelsey, president Marsh & McLennan-Cosgrove & Co.

Changes In Texas

Grady Zachary, who has been in the automobile section of the Texas department since January, 1957, and before that was with Firestone Rubber Co., has been appointed assistant supervisor of the rate and policy division in the automobile section of the department. He succeeds T. W. George, who is now with Steck & Co. general agency.

Hugh J. Jones, supervisor of oil properties, has been promoted to supervisor of the rate and policy division, succeeding the late William R. Clark. Mr. Jones joined the department in 1947.

Harry Michael has been appointed to succeed Mr. Jones in the oil properties division. He joined the department in the rating section a month ago.

Aetna Casualty Names Wellman At Portland

James K. Wellman has been promoted to assistant manager of the Portland, Ore., office of Aetna Casualty. He has served for the past year as superintendent of the agency department.

Mr. Wellman joined Aetna Casualty in 1946. He went to the Portland office in 1950 as a field representative and two years later was advanced to agency supervisor.

Aust, All Other U.S.A. Officers Are Reelected

Officers of Underwriters Service Association, headed by Bert H. Aust of Hanover, president, were reelected at the annual meeting last week in Chicago. R. F. Jackson, Niagara Fire, is vice-president, and Frank W. Spalding of Springfield F.&M. is secretary-treasurer.

Reelected To Committee

Charles L. Day, Pennsylvania Fire, and John G. McFarland, National Union, were reelected to the executive committee. Present members of the committee whose terms expire next year are E. R. Sanborn of Great American and C. G. Thro of U. S. Fire.

The report of Manager Peter Eriksen, indicating favorable results for 1957, was well received.

Pacific Indemnity Had $3 Million Loss For 1957

Underwriting operations of Pacific Indemnity in 1957 produced a loss before income taxes of $3,035,050, compared with a loss of $1,540,446 the year before. The underwriting loss on automobile was greater than that on all other lines combined.

The company had gross premiums last year of $39,906,888, up $6,227,779 or 18.4%. Net premiums were $35,008,030, a gain of 15.4%.

Investment earnings were $1,335,931, or $5.57 a share before taxes, compared with $5.29 the year before. After taxes, the combined underwriting and investment operations without regard to equity in the increase in unearned premium reserve, produced a net loss last year of $7.01 a share compared with a loss of $1.06 in 1956. Not reflected in the 1957 report is a refund of federal income taxes of $560,536 plus interest of $12,685.

At the end of the year, Pacific Indemnity had gross surplus of $15,184,361, a decrease of $3,094,140 after stockholder dividends of $672,000.

Underwriting Gain For Peerless, Surplus Up

Peerless had an underwriting profit of $68,091, and its wholly owned fire subsidiary, Caledonian-American, one of $87,432 for 1957. Peerless policyholders surplus increased by $489,346 to $8,039,898 and Caledonian-American's was up $86,680 to $1,800,327 at Dec. 31.

Premiums written by Peerless and Caledonian-American were $15,341,802, compared with $16,869,682 for Peerless in 1956. Loss and loss expense accounted for 53.68% of premiums earned, and underwriting expenses for 49.33% of premiums written.

President Dudley W. Orr reported that figures for 1956 are not comparable with those of 1957 due to the acquisition at the 1956 year end of Caledonian-American and the establishment of a management agreement with Netherlands. However, a distinct improvement took place in 1957 operations over 1956 when combined loss and loss expense accounted for 68.68% of premiums earned, and underwriting expenses (including Caledonian and Netherlands acquisition expense) for 43.64% of premiums written.

Peerless and Caledonian-American had combined net investment income in 1957 of $743,016 and net realized capital gains of $306,580. After an income tax recovery for Peerless of $735,064, but excluding net realized capital gains, combined net income of Peerless and Caledonian was $1,631,330.

Assets of Peerless were down $1,666,912 to $30,827,446 and Caledonian-American's up by $420,277 to $3,277,589 at year end.

Mr. Orr also reported that Peerless plans to merge or consolidate Caledonian-American into the Peerless organization early in 1958 for greater economy and efficiency.

United Life & Accident, 80% owned life affiliate of Peerless, increased its insurance in force 24.7% in 1957. Total in force was $282,297,376 at year end. United placed $77,747,300 in force during the year, an increase of 87%.

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Laird-Hagee Co. Is U. S. Life GA In Harrisburg

Laird-Hagee Co. of Harrisburg has been appointed a general agency of United States Life.

J. Ira Laird is president of the agency, which represents several mutual fire, casualty and inland marine companies. With the late H. Raymond Hagee he founded the agency in 1923. He is past president of National Assn. of Mutual General Agents and of Pennsylvania Mutual Inspection Bureau; a director of Insurance Federation of Pennsylvania, and vice-president and director of Northampton Mutual.

His son, J. Ira Laird Jr., is executive manager. He is vice-president and secretary of National Assn. of Mutual General Agents.

Henschen Joins Sayre & Toso

Laurence H. Henschen has joined Sayre & Toso-W. B. Brandt & Co. as assistant to C. M. Pratt, marine manager for southern California. Previously fire and marine manager in southern California for Standard Accident, Mr. Henschen entered insurance in 1947 with National American.

William E. Hawley, manager of Hartford Fire group's home office shipping department, has retired after 51 years. He joined the department in 1906 and became manager in 1929.

Central Ill. Managers, Illinois Wesleyan U. To Sponsor Seminar

Central Illinois chapter of American Society of Insurance Management and Illinois Wesleyan university will hold their fourth annual insurance seminar April 25 on the university campus, Bloomington, Ill.

Chairmen of the morning session will be Carl Hutchens, Caterpillar Tractor Co., Peoria, and Elias Rolley, Funk Bros. Seed Co., Bloomington. Robert E. Sink, Factory Insurance Association, Chicago, will discuss the subject "Fire Prevention & Fire Protection," and Robert Dunn, Bloomington attorney, will speak on "Pension Planning for Small Groups."

Luncheon chairman will be R. G. Tucker, Staley Manufacturing Co., president of the association. Frazier S. Wilson, Stewart, Smith (Ill.), Chicago, will speak on "Buying Insurance."

Frank Sutherland, Illinois Power Co., Decatur, and David Covey, LeTourneau-Westinghouse Co., Peoria, will be chairmen of the afternoon session. Speakers will be Anthony W. Fitzgerald, Underwriting Printing & Publishing Co., New York, on "Care, Custody & Control;" and Lyle W. Allen, Peoria attorney discussing "Bodily Injury Awards—The Defense Viewpoint."

Excelsior Ends 1957 With Underwriting Gain

Excelsior Ins. Co. increased its net premiums 6.4% during 1957 to $1,250,636 and ended the year with an underwriting gain of $44,073.

The annual statement showed a ratio of 49.7% on incurred losses and a 46.2% ratio on incurred expenses for a combined loss and expense ratio of 95.9%.

Net assets were increased $31,118 to $3,222,678, unearned premium reserve was up $13,563 to $1,372,130, and policyholders' surplus was $1,611,986, down $16,905. In addition, Excelsior recorded net investment income and realized gains of $115,209 plus $5,425 increased equity in unearned premium reserve, producing total realized net earnings of $164,707 or 91.4 cents per share on 180,115 shares outstanding. Of this amount $72,025 was paid in cash dividends and $7,500 for federal income tax.

Helen Mahlum Promoted By Leo B. Menner & Co.

Helen Mahlum has been named casualty supervisor for Leo B. Menner & Co. She has had more than 25 years in the business, and was formerly with Stewart-Smith, (Ill.) She has specialized in organization and procedure work and assisted in establishing Lloyd's operations in Chicago agencies. Before she came to Chicago, Miss Mahlum was in insurance in Indianapolis and helped found the insurance women's association there.

N. Y. Brokers Back Notice Bill

Greater New York Insurance Brokers Assn. is backing a bill now in the New York legislature which would amend the state insurance law to bar invalidation of claims made under liability policies where failure to give notice did not prejudice the rights of the insurer. The association contends there is no reason in law or public policy which should permit an insurer to disclaim liability on purely technical grounds.

Under existing law, casualty insurers are barred from denying liability for late notice only where the claimant can show that it was not reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible.

WANT ADS

Rates—$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

UNUSUAL A. & S. CLAIM OPPORTUNITY

To become the A. & S. Claim Director of the Allstate Insurance Company. The position is at the Home Office Staff, Policy making level, reporting directly to the Vice President of Claim. Will be responsible for development and administration of A. & S. Claim Policies and Procedures. Requirements include managerial experience in the settlement of A. & S. Claims and a thorough knowledge of the A. & S. Insurance Business. Preference will be given to men who have additional Life Claim experience. Legal degree necessary. Age 30 to 45. Submit complete résumé and salary requirements in confidence to:

Home Office Personnel Dept.
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COMMERCIAL FIRE UNDERWRITER

Excellent growth opportunity with division office of a national casualty company expanding into commercial fire field. Five years minimum specific commercial fire underwriting experience required. Ability to activate entire program including departmental training and sales co-ordination essential. Age to 40. Relocate: Carolinas. Salary open. Send complete résumé in confidence. Box Z-42, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELDMAN WANTED IOWA AND OHIO

One of the most progressive multiple-line companies will employ two salesmen, preferably with field experience to service Eastern Iowa Cedar Rapids area and Southern Ohio Cincinnati area. Must have proven sales record, good personality and reputation. Opportunity to sell the top quality products in our field. This is an unusual opportunity with excellent future. Your complete résumé will be kept in the strictest confidence. Write Box Z-65, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

NEBRASKA

Experienced Special Agent with Fire and Casualty background wanted for state of Nebraska by progressive mid-west insurance company doing business through local agents. Give full educational and business background along with salary requirements in first letter. Our employees know of this advertisement. Replies confidential. Box Z-60, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT CASUALTY

Aggressive man, 25 to 48, to represent prominent Multiple Line Insurance Company in Mid-west territory. Experience necessary. We prefer a man who has been employed in the Chicago area, Toledo or Cleveland, Ohio. Attractive starting salary; excellent future for a man with potential. Address Box Z-52, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED INDIANA & OHIO FIELDMAN

Experienced Special Agent for long established Company writing substantial volume of fire business in these states. Must be experienced in agency relations and underwriting. Prefer Ohio resident. Give completed experience and salary requirements in first letter. Address: Z-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

STOCK AGENCY WANTED

I am under thirty, married, and a college graduate. Currently employed as field man with well known Fire & Casualty company. Northern Ohio location preferred. If you have considered selling, let's discuss. Write Box Z-62, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELDMAN POSITION OPEN ILLINOIS

Excellent Opportunity, with State Agent Duties
CREAM CITY MUTUAL INSURANCE COMPANY
6700 W. Capitol Drive — Milwaukee, Wisconsin

GENERAL AGENCY FOR SALE

Located in growing Southwest. Annual production well over ¾ million, representing stock companies and surplus lines facilities. General agency or company inquiries invited. Address Box Z-45, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL CASUALTY UNDERWRITER

Growing medium size midwest company wants man under 40 with experience to take charge of general casualty underwriting (not auto). Reasonable starting salary with all employee benefits plus excellent opportunity to earn responsible position with company. Our employees know of this ad. Box Z-58, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Excellent opportunity for experienced workmen's compensation and liability underwriter. Salary commensurate with experience and ability. Liberal employee benefits. Local applicants should apply in person. All others please enclose photograph with letter of application. TRADERS & GENERAL INS. CO., 115 S. Field Street, Dallas, Texas.

WANTED

EXPERIENCED MULTIPLE LINE ADJUSTER FOR WORK WITH INDEPENDENT. DRAWING ACCOUNT AND COMMISSION. MUST BE WILLING TO RELOCATE TO THE WEST. WILL ACCEPT A GOOD CASUALTY MAN. PLEASE WRITE COMPLETE, DETAILED LETTER WITH FULL PERSONAL HISTORY, EXPERIENCE, REFERENCES, AND PRESENT SALARY. REPLY TO BOX Z-49, c/o THE NATIONAL UNDERWRITER CO., 175 W. JACKSON BLVD., CHICAGO 4, ILL.

POSITION WANTED—FIELDMAN

North East Illinois—extensive multiple line experience with Managerial experience in Home Office and Service Office as well as large following and good production record in Field. Married, best references. Write Box Z-54, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

DO YOU NEED

A young, aggressive, civically active Insurance Executive with 12 years excellent general agency production and management experience? Desires only executive potential position with top Multiple Line Insurance Co. Complete background information available. Write Box Z-56, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

St. Louis general agency needs fire company rated AA or better. 90% dwelling house business. Low loss ratio. Must have top commission. Box Z-55, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Broker Evaluation Uses Facts, Not Averages

(CONTINUED FROM PAGE 34)

program was in the initial development stage, Alexander & Co. was faced with the problem of a sizable physical move, brought about by increased volume and the need for more operating area. Planning and allocating brokers' space meshed with the evaluation concept in that, for the first time, assigned areas could be related to those factors which made some brokers outstanding and others only average or below standard. Two years later, after Alexander & Co. expanded its operation to the 18th and 19th floors of the Field building, in space formerly occupied by America Fore, this became a reality. Brokers are now occupying space in accordance with their own qualifications.

With the objectives for a basic evaluation program in mind, W. A. Alexander & Co. sought the aid of professional counsel. George Fry & Associates was selected because of its success in formulating similar evaluation programs for the salary administration for Alexander staff employes. What this consulting firm set about to do for Alexander & Co. was new in many insurance areas.

To set the wheels in motion a group of Alexander & Co. vice-presidents held a series of sessions to select those factors or combination of factors which spelled success—or failure—for its brokers. These vice-presidents were Phil Cochran, Frank Miley, Frank Hurt and Cecil Blanc. Some of the sessions included Mr. Fetzer and J. H. Sherman, executive vice-president. They were guided in this analysis by William Hocking, a Fry & Associates vice-president.

Used Four Major Categories

When finally agreed upon, the factors of main consideration were broken down into four major categories and "weighted" according to their significant part of the total picture. They were: Financial results (weighted double), business pattern, company relatedness, and personal characteristics and growth potential.

Financial results for each broker were judged upon his gross commissions earned, average premium per item, commission split of total income, and indicated adjusted gross profit. The latter highlighted the profit remaining with Alexander & Co. after expenses have been allocated to the number of units placed by a broker and after certain direct costs have been allocated. These costs include such items as rent, electricity, allowances, secretaries' salaries, survey, telephone and telegraph, stationery and supplies, advertising, loss department service costs, postage, and the agency's portion of a group life and hospital plan. The gross profit did not include administrative expenses, nor allocation of executive costs and special risk department costs.

Eight Factors Of Business Pattern

The "business pattern" was divided into eight factors for evaluation: Collection experience, cancellation experience, loss ratio, method of obtaining business (source or bootleg), class of insured, product mix, account selling, and utilization of staff (too much or too little).

Cancellation experience included the total number of cancellations as related to the total number of units written. In this category, consideration was given to the number of errors that were created through Alexander's underwriting personnel and the requirement of a large number of cancellations through the advent of the homeowners type of policies. Under loss ratio, measurement was based upon the loss ratio average for the past three years. If the loss ratio was high, an effort was made to determine the type of business written and relate the experience to the spread of business. For example, if a broker's average loss ratio was 65%, an effort was made to determine the product mix in order to determine whether the broker's production was too heavy on a particular line of business.

Product mix means the diversification of insurance by lines. A good rating would go to a broker who has items in practically all of the lines written while not being too heavy in specific lines. For example, a broker with 50% of his business in automo-

POSITION DESIRED

Capable young man desires position as a Fire and Marine Field Representative. NEW JERSEY area preferred. Background in Home Office underwriting and Field experience. Management opportunities mandatory. Write Box Z-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

with Agency or Company, in Managerial, Supervisory or Underwriting capacity; also experienced in production and account servicing Multiple Lines. Basic background Fire and Engineering. Salary open. Adress Box Z-53, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Large Multiple Line Stock Group has opening for a Senior Casualty Underwriter in its Midwest office in Chicago. Please give brief outline of experience in reply for interview. Salary open. All replies will be held in confidence and should be sent to Box Z-63, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Stock or Mutual Agency Company to write Automobile Insurance Billing and Collecting Premium for Agents. We will set up Agencies for small overwrite.

James D. Owens, Owens Agency
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MANAGING GENERAL AGENCY COMPANY IN ENTIRE STATE OF INDIANA, NEEDS ADDITIONAL COMPANIES ESPECIALLY FIRE AND INLAND MARINE COMPANY AND COMPANIES WRITING SPECIAL LINES E.G. CROP HAIL, ETC. WRITE BOX Z-64, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

Casualty Superintendent. 11 years in casualty field with last 7 heavy in production and underwriting. Age 36. Married. Best references. Desires key position in home office production department with opportunity. Write Box Z-66, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT POSITION WANTED
Chicago, Cook County, Illinois

4½ yrs. experience as Fire Underwriter (some Inland Marine) with Stock Co. and General Agency—Presently employed. Chicago Board of Underwriters courses taken in Fire, Marine and Casualty. Age 28. Address Box Z-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

bile and 50% diversified in other lines would not be rated with the same comparative value as one who had a smaller percentage in each line.

Considerable attention was given to those brokers who concentrated on account selling as contrasted with personal lines. It was established that insurance sold to larger accounts was more profitable than the sale of small personal business.

Company relatedness included five factors: Cooperation, team play approach and loyalty; adaptability to sales guidance; job interest; consideration of others, and influence on others. A great deal of consideration in this classification was given to those brokers who not only watched their own growth but also the growth of Alexander & Co. and who endeavored to understand company problems.

Under personal characteristics and growth potential, the more personal psychological problems were touched upon. Family, social and business contacts were measured, civic activity was determined, customer relationships and attachments weighed along with self-sufficiency, aggressiveness, desire for knowledge, etc. The desire for knowledge on the part of the broker meant keeping up with changes in the business, expending time and effort to make use of Alexander's many educational features—seminars, sales meetings and group sessions. The concluding factor, growth potential, was a measurable factor in comparing new vs old and young vs old.

The magnitude of the effort in evaluating approximately 125 brokers was sizable and consumed endless hours. However, the framework of the program has been laid and has been paying off handsomely. It is expected that it will be changed, modified and revised as experience dictates. The necessary time will be allocated to put each broker under the business microscope for his own best interests and those of the agency.

—

FTC Appoints Babcock Executive Director

WASHINGTON—Harry A. Babcock has been appointed executive director of Federal Trade Commission to coordinate the work of its investigation, litigation, and economics bureaus in development and prosecution of all cases before the commission.

He is a veteran of 36 years with FTC, and was director of its "vital bureau of investigation," whose inquiry into the A&S industry a few years ago led to the filing of many complaints against companies for false and misleading advertising of A&S policies.

Before heading the investigation bureau in 1954, he was special assistant to former FTC Chairman Howry, charged with surveying the commission's investigative activities.

—

Quaif Is Named V-P

Alan S. Quaif has bvecome vice-president of B.&R. Excess Corp., Brooklyn, and affiliated firms of New Jersey and Florida.

He recently resigned the managership of City General Ins. Co. of London to assume is new position. Prior to joining City General in 1951 he was with Andrew Weir Ins. Co. and Prudential of England. He has a varied experience in the life, fire and casualty fields in America and abroad. Mr. Quaif qualified as an associate of Chartered Insurance nstitute of London in 1949.

Continental Casualty Proposes Employe Stock Option Plan

Continental Casualty has approved an employe stock option plan to be submitted to the stockholders at their meeting April 2. Under the plan, designed to encourage ownership of company shares among key employes as a basis for incentive, options will be granted to officers and other personnel earning $12,000 and up. Price of the optioned shares will be not less than par value or less than 95% of the "fair market value," and the number of shares purchased per person will not exceed 1,500.

The plan will be administered by a committee appointed by the board, consisting of members who are themselves not eligible for the plan. The committee will have authority to determine prices, eligibility of personnel, times when the option will be granted and the number of shares under each option. The committee will also set the minimum number of shares to be purchased, manner of payment and other regulations for administering the plan. The board or the committee will have the authority to issue "from time to time" up to 82,405 common shares.

Continental directors believe that "the quality of management is of the utmost importance in the insurance business," and that the company must try "to obtain and retain the best availables executive personnel and to encourage a high level of performance." For this reason the company is offering a stock option plan not as "compensation for services," but "to promote the acquisition of an ownership interest... as a stimulant to greater and more effective efforts in behalf of the company."

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See N. Y. Compromise A&S Bills Less Harsh

(CONTINUED FROM PAGE 1)

posals filed shortly afterward by the democratic Harriman administration. The Metcalf and Harriman packages are still in committee.

The new bills may not go through a public hearing because of the pressure of business on legislators during the remainder of the session. Insurance industry associations are not expected to put up any opposition to the new package, viewing it as the least objectionable of all those introduced at this session.

The new bills omit any reference to the controversial proposal to require a level premium for the life of insured. A&S insurers sees this as a gain for their side.

Two bills deal with conversion. One would require insurers to offer group policies containing privileges of conversion without evidence of insurability. Employer-policyholders would be free to buy or not buy the conversion privilege for their employe-certificate holders. Elimination of the objectionable proposal to mandate the conversion privilege also is seen as a major improvement. Approximately 30 insurers not now offering conversion privileges would be affected, however.

The other conversion bill would require this privilege to be offered to children and others covered by a family policy. This is viewed with some concern by insurers who see the possibility of anti-selection.

A third bill, as proposed in the earlier Metcalf package, would prohibit insurers from cancelling or refusing to renew a policy after it had been in force for two years, except for fraud and other reasons. However, term A&S policies still may be offered, provided they are clearly identified and explained as such.

The fourth bill would give a new policyholder a "free look" at his policy and entitle him to full refund of his premium if he returns the contract within 10 days after he receives it.

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Auto Rate Bureau To Court In Utah

The state court at Salt Lake City has denied the application of National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. for rate increases, after a hearing and review of a public service commission hearing on the same subject. Consequently, the two bureaus are appealing the decision and intend to sek their remedy in the higher state court.

The Utah law provides for prompt judicial review of the matter on its merits.

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Federal Pays An Extra Dividend Of 10 Cents

Federal, which had an underwriting profit on 1957 operations, has declared an extra dividend of 10 cents, payable June 9 to holders of record May 29.

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Springfield F.&M. Monarch Plan Merger

(CONTINUED FROM PAGE 1)

Springfield stockholders and 300,000 shares to be paid Springfield stockholders as a stock dividend prior to the proposed exchange of stock.

Present shareholders of Springfield also will receive on share of new preferred stock for each 10 shares of the present stock owned by them. The preferred will provide for a $6.50 dividend.

It is contemplated that the new preferred stock of Springfield would not be redeemable until after three years, and that redemption would by further restricted for the fourth and fifth years after its issue to not exceeding 10% each year. The call price would be $102 per share.

The proposed affiliation by exchange of stock is contingent upon acceptance by 80% of the outstanding shares of Monarch and approval by Springfield stockholders. The proposal will be made by Springfield to its stockholders soon.

At last year end Springfield F.&M. group had assets of more than $120 million, policyholders surplus of more than $48 million, and written premiums for the year of more than $58 million in general fire and casualty lines.

On Dec. 31 Monarch had assets of $77,520,136, a gain of $8.9 million over 1956. The company had $20,659,412 in A&S premiums in 1957, $4,864,867 of it in new business, a new record. New life insurance sales also established a record, $105,676,482, an increase of 21.4%, and brought the company's in force to $444,729,097, an increase of 16.7%.

Douglas Avery Is New Secretary Of Ohio Agents' Assn.

Douglas N. Avery, former coordinator of insurance education at Ohio University, Athens, has been appointed secretary of Ohio Assn. of Insurance Agents. He succeeds T. M. Gray Sr., who was secretary for a number of years until his sudden resignation several weeks ago. Mr. Avery has worked with the agents in recent years in establishing an educational program which has become one of the best in state association ranks.

An entirely new staff will take office with Mr. Avery. Lawrence King, former field representative of the association, is assistant secretary.

Mary Colvin, who was secretary to Mr. Gray, has joined Mr. Gray in his new job with the Ohio Right To Work Committee.

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Introduce Another Bill In N. Y. On Commissions

A bill has been introduced in both houses of the New York legislature which would require service or advisory organizations to file with the superintendent copies of voluntary, cooperative agreements entered into by insurers with respect to commissions to be paid producers. A bill previously introduced would empower the superintendent to regulate commissions.

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Honor Holz As He Leaves N. Y. Department Post

Leffert Holz, whose resignation as insurance superintendent of New York is effective this week, was honored at a dinner at the Astor in New York City Wednesday by his associates in the department and representatives of the business. More than 300 attended, including Julius Wikler, his successor. Robert J. Malang, deputy superintendent, acted as toastmaster.

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Homeowners Rates Cut

New England Fire Insurance Rating Assn. has promulgated a 10% reduction in homeowners A and B in Massachusetts and Connecticut, effective March 3. The rates had risen eight points last year as a result of the decrease in the term multiple, a change which was not made by North America, a leading writer of homeowners.

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Tex. Auto Hearing March 25

The Texas department has scheduled a public hearing March 25 at Austin. The agenda covers automobile PHD fleet rating plans revision of hired car rates, legal liability for physical damage to trailers under a trailer interchange contract, revision of family auto policies, and rating statutes governing insurance on mobile agricultural machinery and equipment.

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Hear Mielke On Risk Analysis

Robert Mielke of Milwaukee, state agent for Phoenix, spoke on "Survey and Risk Analysis" at the monthly dinner meeting of Dodge County Assn. of Insurance Agents at Juneau, Wis. He pointed out the advantages of better service received by the insurance buyer from an agent qualified by training and experience to survey insurance needs and recommend the best policies to fill the needs.

Bituminous Casualty Stays On Plus Side

Bituminous Casualty in 1957 showed an underwriting profit of $261,000.

Investment income totaled $927,000, an increase of slightly more than $100,000.

The underwriting profit, which fell from more than $1 million for 1956, compares with 1955, $231,000; 1954, $618,000; 1953, $545,000; and 1952, $283,000.

Total income, before taxes, was $1,188,440, compared with $1,866,579 for 1956. Underwriting income was $1.91 per share and investment income was $11.59 for a total of $13.50 per share net earnings before taxes.

Premium volume of $23,916,578, showed a 4% increase over the 1956 figure of $23,006,042. Assets increased from $45,149,576 to $47,443,240; surplus to policyholders increased $169,865 to $10,290,539.

Federal income taxes were $434,459 as compared with $822,190 in 1956; state and local taxes and fees were $516,344 as compared with $426,532.

Texas Adjusters Elect

D. M. Jones of Jones-Leavell Adjustment Co., Port Arthur, was elected president of Assn. of Independent Insurance Adjusters of Texas at the annual convention held recently in Abilene. He succeeds J. Henry Wolf of San Antonio. Other officers elected are R. R. Longmire, San Antonio, and John T. Parker, Dallas—vice-presidents; and R. B. Hambrick, Abilene, secretary-treasurer.

Speakers at the convention included Joseph M. Cashin of East Orange, N. J., president of National Assn. of Independent Insurance Adjusters; J. Alton Jones of National Union group, Dallas; Sam Lawson, Millers Mutual Fire, Fort Worth; and H. C. Pittman Jr., chairman of Industrial Accident Board, Austin.

Ind. Agents Hold District Meeting at South Bend

Indiana Assn. of Insurance Agents held a district meeting at South Bend with 50 agents from that city, Mishawaka and surrounding areas attending.

The importance of learning more about local and state government and of discussing current problems with state senators and representatives was stressed by Robert B. Estlick, Columbia City, president of the state association. The national advertising program of NAIA was discussed and plans for participation of local agents were finalized.

Also attending the afternoon meeting were Harry E. McClain, executive secretary of the Indiana association, and L. H. Humphrey, Goshen, a director of the state organization.

Rockwood Co. Holds Panels

The Rockwood Co. Agency of Chicago was host recently to more than 100 brokers and associates at a half-day session featuring four panels with speakers from the company's various departments. Major trends in automobile, fire, Lloyds, life and A&S were discussed. According to President W. Carter Butler, the response was such that similar meetings annually are being considered.

Owen Joins N. C. Department

Hugh R. Owen, an attorney formerly on the staff of the North Carolina attorney general, has joined the state insurance department. He succeeds Lucius W. Pullen, who is transferring to the attorney general's office.

Western Adjustment Names 2 In Promotions

Fred J. Welsh, general adjuster at Chicago for Western Adjustment, has been made executive supervisor with responsibility for North Dakota, South Dakota and Nebraska. Mr. Welsh received his early training with Western in Nebraska before his transfer to Chicago.

Gordon T. Refoy, executive supervisor, retains supervision over Kansas, Missouri, Iowa and Minnesota, while transferring North Dakota, South Dakota and Nebraska to Mr. Welsh.

James L. Pappas, formerly in charge of the fee and reporting department at Chicago, has been appointed assistant controller. Mr. Pappas has been with Western Adjustment since 1954.

Herd Elected By MOA

J. Victor Herd, chairman and president of America Fore Loyalty group, was elected chairman of the executive committee of Marine Office of America at the annual meeting and dinner in New York.

Among these attending were: William Rearden, president of Loyalty group; George Mead, president of Glens Falls; Elmer Sammons, president of Hanover, and Bruno C. Vitt, chairman of American.

George Inselman, president of the Marine Office, reported that the volume of premiums written in 1957 was the largest in the organization's history.

Two San Francisco General Agencies Merge

Landis, Pelletier & Parrish and Seeley & Co., managing general agencies in San Francisco, have recently merged. The combined companies have formed a new corporation called Landis, Pelletier & Parrish Inc., with head offices at 558 Sacramento street, San Francisco.

Principal officers of the new company are Philip F. Landis, chairman and treasurer; F. J. Pelletier, president; George M. Parrish, vice-president and secretary; J. S. Cassidy, vice-president and assistant secretary; G. A. O'Sullivan, vice-president, and Herbert R. Fleishhacker Jr., vice-president. Principal personnel of both former agencies have positions in the new organization.

Landis, Pelletier & Parrish Inc. maintains offices in Los Angeles, Seattle and Portland and has field headquarters in Sacramento, Fresno, Oakland, and San Jose. The agency represents all companies of the two merged agencies. The new corporation carries on a multiple line business of more than $9,000,000 in annual premium volume.

Brooklyn Agents Nominate

Brooklyn Insurance Agents' Assn. has nominated the following officers, who are being voted on at the annual meeting March 13:

President, Morton Firestone, vice-president, Robert McKinnon, secretary, W. F. Stanz, and treasurer, John R. Seekamp. Nominated for the executive committee are Stanley J. Corsa, William F. Ittner, Gabriel Scarano, August B. Sohl, John M. Soehnel Jr., and Harry G. Ellis; for public relations committee, Peter W. Scharman, and for membership committee Victor Edlund, and Fred Boehn.

Milwaukee Agents Meet

The operation of Factory Insurance Association was described by Elmer Trost, field manager, at a breakfast meeting of Milwaukee Assn. of Insurance Agents. His talk covered initiating a survey, agent of record letter, assignment letter and a review of F. I. A. standards.

Chicago Surety Men Hear Court Referee Discuss Bail Bonds

Problems of courts attendant to filing bail bonds were described by Chicago Municipal Court Referee Lester Jankowski at the monthly meeting of Chicago Surety Underwriters Assn.

Mr. Jankowski said each month the bond court handles 3,500 to 4,000 surety bonds and these do not drop out of sight with the mere filing of them. The bonds must be followed every time a case has a continuance, and clerks must check the disposition of a case each day. This in itself is enough to keep the court busy, he said.

The Chicago municipal court does business with 630 authorized agents who create problems when they fail to attach the power of attorney to the bond, or do not name the surety company in the space provided for this. Trifling oversights and errors like these slow down operation of the court. Mr. Jankowski also noted that bondsmen or police officers sometimes neglect to give the defendant the white copy of the bond, often with the result that the defendant does not know when to appear.

Discussing the bail bond card which surety companies offer their motorist clients as a matter of convenience, Mr. Jankowski said the incidence of forfeiture has been very small. "Our experience with the bail bond card has led me to become a very serious advocate of that type bond for the average motorist," he remarked.

Kan. Approves Revision Of IM Bureau PPF Rates

Inland Marine Insurance Bureau's refiling of personal property floater rates in Kansas has been approved. The new rates, which reflect both increases and decreases, become effective Mar. 1. The new rate of $1.30 on the first $5,000 value is down from $1.40; next $5,000—70 cents from 75 cents; next $10,000—30 cents, as previously filed; next $30,000—15 cents, up from 12 cents, and on value in excess of $50,000—15 cents, up from 12 cents.

The bureau filing revising the factor for calculation of term premiums has been approved in North Carolina, effective Feb. 15.

Perkiomen Goes Multi-line

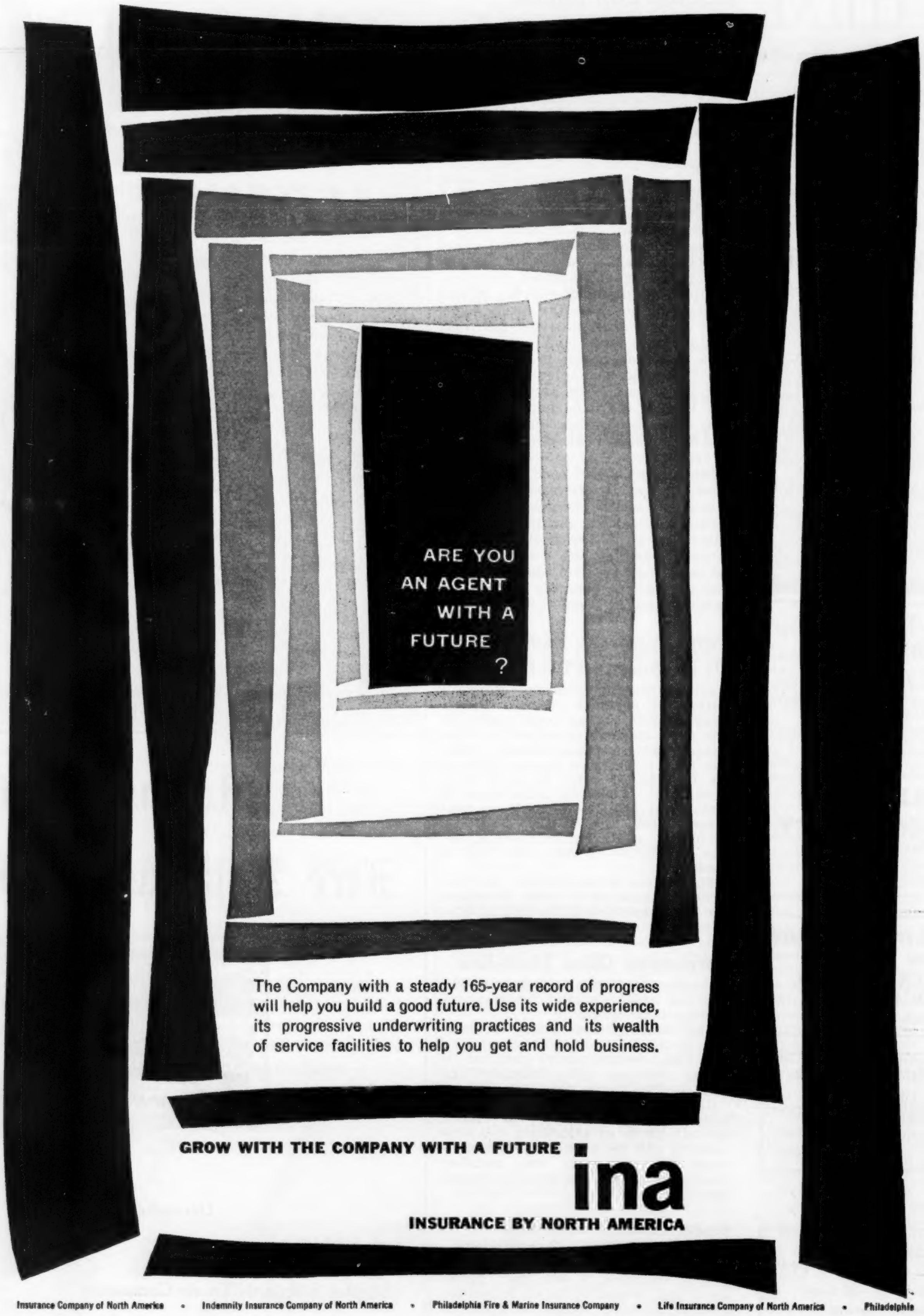
Perkiomen Mutual of Collegeville, Pa., has added casualty facilities, including auto liability.

The company now writes, in addition to fire and allied lines, auto BI and PDL, comprehensive personal liability, farmers CPL, burglary and theft, and residence glass.

Charles M. Heimbach has been named assistant secretary of claims. He will assist in organizing the auto casualty and the multiple line department. He previously was assistant claims manager of Harleysville Mutual group.

Broker Develops Slide Rule To Compute 17½% Commissions

A slide rule computer for figuring 17½% commissions has been developed, and, according to its originator, Charles J. Haug, broker of Evanston, Ill., is faster than machine computation. The most common commissions—10, 15, 17½, 20, 25 and 30%—are easy to compute by simple multiplication or division except the 17½%, which is paid by many companies on a portion of auto premiums and personal and general liability premiums. The computer is made of a vinyl plastic sleeve with a plastic coated slide. It is priced at $5 each, and may be obtained from the Haug Computer Co., 1149 Maple avenue, Evanston, Ill.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